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ABSTRACT

This volume presents the main findings of a comparative study of four poor urban communities in countries experiencing economic difficulties during the late 1980s: Chawama (Zambia), Cisne Dos (Ecuador), Commonwealth (the Philippines), and Angyalfold (Hungary). The study extended a longitudinal community panel study begun in Ecuador by using a sociological survey and anthropological participant observations in all four communities. The case studies revealed interesting contrasts among these communities, but they also revealed some important similarities. In all four communities, labor was the greatest asset of the poor, and a frequent response to declining real income was to mobilize additional labor, even that of children. The poor are in many cases less able to earn incomes in the present economic structure. In all these communities housing is an important asset to cushion against severe poverty. Changes in household structure to strengthen family support networks are both a result of vulnerability and a strategy against it in all four communities. Strategies devised to reduce vulnerability sometimes impose unequal burdens on household members, especially women. Economic crisis in all these communities can exert strengthening and weakening pressures that show that a community's ability to cope with economic difficulties is influenced by its social capital. Four appendixes, which contain 2 boxes and 36 tables, describe the communities, study methodology, the analysis of poverty in this study, and community and country statistical data. Tables A4.12 through A4.17 (pages 92-93) provide data on the educational level of household heads or adult population for all four communities studied. (Contains 22 boxes, 10 figures, and 8 tables.) (SLD)

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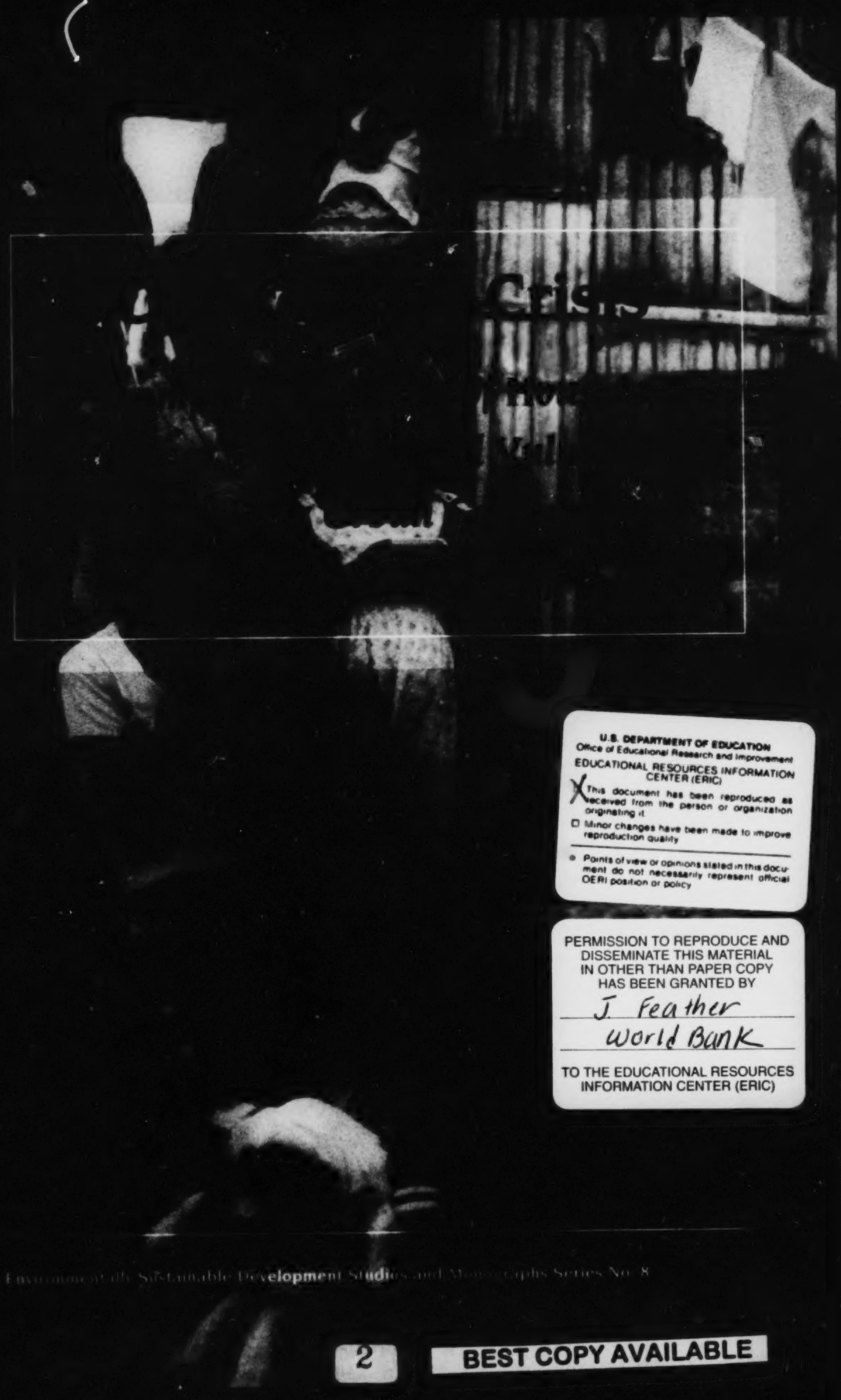

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Confronting Crisis

A Comparative Study of Household Responses to Poverty and Vulnerability in Four Poor Urban Communities

Caroline O. N. Moser

ESD

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Cover photographs by Brian Moser/The Hutchison Library, London.
Front: Family members assemble on the bamboo catwalk entrance to their house in Cisne Dos, Guayaquil, Ecuador.
Back: An example of a home-based industry—a tailor and his young daughter work together in Cisne Dos, Guayaquil, Ecuador.

Caroline O. N. Moser is a senior urban social policy specialist in the Transportation, Water, and Urban Development Department of the World Bank.

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Foreword

Poverty statistics are people with the tears wiped off. This volume describes a study that forces analysts to look beneath the statistics—to recognize the real misery of the poor and to appreciate the grit, the courage, and the determination that they bring to the endless challenge of survival. It restores the reality that we all know, yet that is conveniently airbrushed away when we talk in the averages of macroeconomic statistics. The study is rich in qualitative micro-level detail, complementing the quantitative detail so prevalent in the poverty analyses that the World Bank undertakes. The volume captures the individual in a series of thumbnail sketches in boxes throughout the text. Just as *World Development Report 1990: Poverty* used that device to humanize its statistical portraits of poverty, these concrete examples show different aspects of the life of the poor, bringing to life the multifaceted reality of their struggle for existence.

The study analyzed four urban communities in four very different regions: Chawama, in Lusaka, Zambia; Cisne Dos, in Guayaquil, Ecuador; Commonwealth, in Metro Manila, the Philippines; and Angyalföld, in Budapest, Hungary. Although these four case studies revealed interesting contrasts, they also showed important similarities, distilled in six key findings:

1. With labor the poor's greatest asset, a frequent response by poor households to declining real income is to mobilize additional labor—principally women's labor, but in the poorest households even children's labor.
2. Where the improvements in social and economic infrastructure of the 1970s have not been maintained through the 1980s and into the 1990s, there have been implications for the ability of poor households—less able to substitute private for public services—to earn incomes.
3. Housing is an important productive asset that can cushion households against severe poverty, and land market regulation can either create opportunities to diversify its use or foreclose them.
4. Changes in household structure to strengthen family support networks are both a result of vulnerability and a strategy to reduce vulnerability.
5. Strategies to reduce vulnerability sometimes impose unequal burdens on household members. Women, because of their multiple responsibilities, have frequently assumed a disproportionate share of the burden of adjusting to adverse economic circumstances, thus limiting their ability to respond to new opportunities.
6. The pressures of economic crisis can exert opposing forces on social capital—both strengthening it, as reciprocity networks are increasingly called into play, and erod-

ing it, as households' ability to cope deteriorates and community trust breaks down.

The findings of the study are important. They show that a community's ability to cope with the stress of economic difficulties is largely affected by its material well-being, as expected. But they also show that a community's coping ability is influenced by its social capital—the trust, reciprocal arrangements, and social networks linking people in the community. Up to a certain point increased pressure will increase social capital by bringing into play more of the reciprocal arrangements and by strengthening the networks. But when the pressure reaches a certain threshold—one that is unique to each community—the networks become overwhelmed and the social systems break down. This societal (and household) breakdown has disastrous consequences for the poor, and even more disastrous—though still unknown—consequences for the next generation.

Not surprisingly, the study's findings bring out the role of women in vivid relief. Women are the heroines and the victims of the tragedy of poverty. Even more than men, women suffer the consequences of failure. And they are far more frequently the ones behind the resolute defense against—and successful reversals of—the downward spiral of misery. Their networks are therefore extremely important as a defense against increased vulnerability and as a basis for action to overcome the conditions of extreme poverty.

Although the recommendations of the study may not be revolutionary, they are important reminders of what must be done if policies to reduce vulnerability and poverty are to mobilize the potential of the poor and generate the community-based actions that make the difference at the grassroots. Among these recommendations:

1. Recognize the household, especially the extended household, as a basic safety net. Long-term support for the community's basic infrastructure needs may support households' efforts better than short-term transfers. And since many extended households include "hidden" female heads of household, means are needed to target these women and their children directly.
2. Strengthen the asset base of the poor (beyond human capital) and the return to these assets. Interventions should address the priorities that the communities themselves identify. These priorities often include electricity, public safety, legal title to homes, and water and sanitation.
3. Remove obstacles to women's participation in gainful employment or self-employment, to help them cope better with their multiple responsibilities. This means finding out their priorities for childcare and accessible water and health services and designing interventions accordingly.
4. Ensure that social capital is not taken for granted. Social capital is the key to communities' ability to cope with economic crises and reverse the downward spiral of misery. It needs to be strengthened by, for example, improving trust between communities and the government and giving greater value to volunteer community work.
5. Undertake more proactive, participatory social policy research on social capital. Key questions for follow-up research to address include these: How is social capital strengthened by being used? When does it become overwhelmed and break down? And how can breakdown be avoided?

An equally noteworthy aspect of this study is that the principal investigator, Caroline Moser, involved many other participants, including some sixty professionals. Given the value of local ownership of community-focused poverty studies, local researchers were the most important participants. In each country local women's research organizations or research groups undertook fieldwork that included sociologists, anthropologists, economists, and statisticians in collaboration with a World Bank research team. Community residents and local teachers helped collect field data, and local staff with computing skills performed data entry and processing.

This study provides a rich addition to our understanding of the mechanics of community renewal in the face of challenge and of community breakdown under economic stress. It shows how the social and the economic interact in everyday life. They cannot be separated. They are like inhaling and exhaling in the process of breathing. This deeper understanding should serve us well in the effort to design better ways of reaching and empowering the poor. Real progress lies in empowering the poor, the weak, and the vulnerable to become the producers of their own welfare rather than the recipients of charity or the beneficiaries of aid.

Ismail Serageldin
Vice President
Environmentally Sustainable Development

Acknowledgments

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Executive Summary

How do poor households respond when incomes decline, jobs are increasingly scarce, and spending on food and services increases? Some households are more vulnerable than others, and not all cope equally well. As governments and donors grapple with the problems of poverty in countries experiencing economic difficulties, understanding how the poor respond to economic crisis has become increasingly important. This understanding can help ensure that interventions aimed at reducing poverty complement and strengthen people's own inventive solutions rather than substitute for or block them.

This volume presents the main findings of a comparative study of four poor urban communities in countries experiencing economic difficulties during the 1980s: Chawama, in Lusaka, Zambia; Cisne Dos, in Guayaquil, Ecuador; Commonwealth, in Metro Manila, the Philippines; and Angyalföld, in Budapest, Hungary. The study explored how poor households respond to changes in economic circumstances and labor market conditions—or, in the words of a World Bank report, "how the impact has been felt on the ground" (1995, 46).

The poor always face harsh conditions, but economic stress and decline intensify adversity. The study looked at how poor households adjust to a deteriorating situation, what strategies they adopt to limit the impact of shocks and generate additional resources, and what constraints impede their actions. The results show that the four communities cope in remarkably similar (and dissimilar) ways.

Three features distinguish the study from other poverty studies: a micro-level approach combining households and communities as the main units of analysis, an unusually long period of observation for some communities and households, and a comparative framework offering four cases with very different economic development levels and institutional contexts.

The strength of a comparative community study is its capacity to expose behavioral responses within households, between households, and within the community. Such studies complement research focusing on individuals as discrete decisionmakers in product and labor markets by highlighting how formal and informal social institutions foster or limit the capacity of households to adjust to external constraints in different contexts.

Assets as a Buffer against Vulnerability

The study used income measures to identify poverty and inequality in the four urban communities. But it also recognized the inadequacy of identifying poverty primarily by income or expenditure levels and the importance of recognizing its multifaceted nature. The capabilities of individuals and households are deeply influenced by factors ranging from prospects for earning a living to deprivation and exclusion. These factors include people's basic needs, such as employment at reasonable wages and health and education facilities. They also include the socially generated sense of helplessness that often accompanies economic crisis—what Amartya Sen (1985) in his discussion of human capabilities called the "politics of hope and despair"—with its associated social crime rates.

To capture the many aspects of changing socioeconomic well-being, the study incorporated the concept of vulnerability: the insecurity of the well-being of individuals, households, or communities in the face of a changing environment. Environmental changes threatening welfare can be ecological, economic, social, or political, and they can take the form of sudden shocks, long-term trends, or seasonal cycles. With these changes often come increasing risk and uncertainty and declining self-respect. Because people move into and out of poverty, the concept of vulnerability better captures processes of change than more static measures of poverty.

Analyzing vulnerability involves identifying not only the threat, but also the "resilience" in exploiting opportunities and in resisting or recovering from the negative effects of the changing environment. The means of resistance are the assets that individuals, households, or communities can mobilize in the face of hardship. Thus vulnerability is closely linked to asset ownership. The more assets people have, the less vulnerable they are. And the greater the erosion of their assets, the greater their insecurity.

To help in assessing vulnerability, the study developed a simple classification of assets, both tangible and intangible: labor, human capital, productive assets (an important one for the poor is housing), household relations, and social capital. Changes in the environment can strengthen these assets or erode them. The study mapped out factors that can affect each of the assets on an asset vulnerability matrix to identify indicators of increasing and decreasing vulnerability (see table 1 in chapter 2).

The poor have always had strategies for the day-to-day coping with low incomes, high consumer prices, and inadequate or unreliable economic and social infrastructure. But to withstand sudden economic shocks or longer-term economic crises, households must be able to survive such periods without irreversible damage to the productive capacity of their members and to their net asset position. When asset bases become so depleted that even an upturn in the economy cannot reverse the damage, households are extremely vulnerable.

The ability of households to avoid or reduce vulnerability and to increase economic productivity depends not only on their initial assets, but also on their ability to transform those assets into income, food, or other basic necessities effectively. Assets can be transformed in two distinct ways: through the intensification of existing strategies and through the development of new or diversified strategies.

How—and how effectively—assets are used and what strategies are adopted to cope with economic stress are determined by household, intrahousehold, and community factors. At the household level internal life-cycle events that affect the structure and composition of households—birth, death, marriage—can affect their ability to respond to external changes. Within the household asymmetries in rights and obligations on the basis of gender and age translate into differences in ability to cope with economic difficulties. The community's capacity to respond to changes in the external environment may depend on its stock of social capital—the trust, norms, and reciprocity networks embedded in social organizations.

Selecting Poor Communities for the Study

The countries chosen for case studies vary in geographical location, historical experience of governance, resource base, economic development path, and per capita income. The one nondeveloping country chosen, Hungary, was included to identify strategies in a transition economy, but Angyalföld was largely excluded from the comparative analysis. The case study countries have in common a decade of economic difficulties in the 1980s when all endured high inflation and lower-than-average or declining per capita income. Because of the study's urban focus, countries were chosen that have increasing rates of urbanization and in which more than 40 percent of the population lives in urban areas.

In the cities chosen, communities were selected in "typical" poor areas. In the late 1970s these areas were characteristically inhabited by young, aspiring low-income populations. All but Angyalföld were "marginal" areas, originally settled through "invasion" or "squatting." They underwent a complex process of consolidation during the 1970s and early 1980s in which makeshift housing was transformed into permanent structures and residents gradually gained access to services (box 1). At the same time considerable internal socioeconomic differentiation occurred as some households prospered more than others.

How Households Respond to Adversity

Changes in prices, wages, and public spending during periods of economic difficulty can increase hardship for poor urban households. In Chawama and Cisne Dos, for which trend data exist, real per capita income declined

Box 1. Key features of the four communities

Chawama lies about 8 kilometers from the central business district of Lusaka, Zambia. Initially a farming area, it was leased to companies for quarrying in the 1940s. Workers were housed in makeshift structures near the quarries and allowed to remain as tenants after quarrying ceased in 1961. The community was incorporated in the city in 1970, and in 1974–78 squatters were leased plots to build houses or given permits to remain where they were, while home owners were given thirty-year occupancy permits. The government introduced public services in Chawama in the late 1970s, but has failed to maintain them adequately. The formal sector, despite a contraction in recent years, still provided work for almost two-thirds of Chawama's working men in 1992. But almost half the workforce earned income from self-employment, mostly in market trading.

Cisne Dos was established in the 1970s on the periphery of Guayaquil, Ecuador, by young, upwardly mobile families that moved from city rental housing to acquire small plots in the settlement, mostly by invasion. Community-based organizations have long been active in the community and, supported by nongovernmental organizations (NGOs), have provided services, small enterprise support, and vocational training. In recent years, however, the community's social and economic infrastructure has deteriorated. In 1992 more than half the employed male workers worked in the formal wage sector, largely in transport and industry. Women's employment, which grew dramatically in 1978–92, is largely in informal sector sales and services.

Commonwealth was established in the early 1960s on a garbage dump on the outskirts of Metro Manila in the Philippines. Its first settlers were scavengers. In 1975, after intense effort, the community gained the status of a *barangay*, a basic political unit. Yet the local government continued to discourage settlement, and its eviction threats persisted until 1987. A local NGO was key in averting eviction. Although the community has been gradually upgraded, the insecurity has deterred investment in housing and community mobilization for improved infrastructure. Access to water was provided in 1978, but cut off in 1984 because of unpaid bills. Government-supplied electricity reached the area in 1982. Other public services are poor and irregular, and the community relies largely on private schools and health centers. Much of the workforce is employed in the informal sector—where some workers earn good incomes—and a third of households earn at least half their income from home-based enterprises.

Angyalföld, in Budapest, Hungary, has been formally recognized since the second half of the 1800s, when it was established to accommodate workers in the rapidly expanding industrial sector. Most of the population today lives in subsidized public housing, relying on a crumbling, century-old infrastructure. There is little community-based activity. In 1992 almost two-thirds of workers were employed in the public sector, less than a third worked in the private sector, and about 5 percent were self-employed. Dependence on state provision has meant that some households have become more vulnerable than others during Hungary's transition to a market-oriented system.

between 1978 and 1992—dramatically so in Chawama. Households in both communities, on average, were worse off in 1992 than a decade earlier.

Income trend data provide an important starting point, but they paint only a partial picture. Income data cannot capture the complex range of social and economic factors that affect the poor, or the diversity of the responses of the poor to economic difficulty. Individuals, households, and communities are not passive in the face of economic change.

Households respond to declining income by adopting a three-pronged "expenditure-minimizing" strategy: cutting total spending, changing dietary habits, and cutting back on purchases of nonessential goods. A third to a half of women in Chawama, Cisne Dos, and Commonwealth reported a decline in household consumption of seven staple items. In Cisne Dos parents reduced daily handouts for school snacks, a strategy that caused a particular stigma because it admitted poverty. In Chawama and Commonwealth adults walked to work rather than taking motorized transport. In Angyalföld women changed menus by shifting to poorer-quality or less expensive food.

Households strive to maintain their living standards not only by reducing expenditure but also by protecting existing income and by developing strategies around assets that generate important nonmonetary resources. These deliberate choices can cushion households against external shocks. But in the adjustment process there are both winners and losers. Although adjustments by poor households can reduce their vulnerability and prevent greater impoverishment during economic crises, not all households are able to adjust to the same extent, and these strategies can have unanticipated negative effects on equality within households, on family integrity, and on social cohesion.

The following sections describe six key findings of the study, revealing what happens when the poor can use their assets effectively and what happens when their assets are eroded or depleted.

Labor as an Asset

Finding 1: With labor the poor's greatest asset, a frequent response by poor households to declining real income is to mobilize additional labor—principally women's labor, but in the poorest households even children's labor.

A changing labor market has been a major source of vulnerability in all four research communities. Restructuring in the formal sector and increased competition in the informal sector have both contributed to declines in household income. As households become poorer, the most important response has been for women to join the labor force. Between 1978 and 1992 the share of women working increased most dramatically in Chawama, where it rose from 9 percent to 34 percent; in Cisne Dos it went from 32 percent to 46 percent. In Commonwealth the proportion of women working increased from 22 percent to 37 percent in just four years (1988–92).

Women's contribution to household income varies, depending on their opportunities and on their constraints—their education levels and their need to balance employment with multiple household responsibilities. The vast majority of women in the three developing country communities work in petty trade and services in the informal sector, as domestic servants, laundresses, street sellers, or scavengers. These women are forced by desperation to enter competitive, dead-end occupations with low pay and long hours. In all three communities in 1992 women working in the informal sector earned less than men, and the earnings gap was greater than in the formal sector.

Children have also joined the labor force, although their employment is more difficult to measure because it is often "hidden"—intentionally, because of the stigma of keeping children out of school, or unintentionally, when children work in household enterprises. But cumulative evidence shows that the poorest households, those in which adult workers are unable to earn enough to keep the family afloat, are the most likely to send children out to work. For these households the goal is not to keep themselves out of poverty, but simply to reduce their vulnerability.

Boys are more likely to earn income directly, while girls tend to assist indirectly, taking on childcare responsibilities to release other household members—principally their mothers—to work. Both boys and girls help in home-based enterprises. Children who work do not necessarily drop out of school; girls often dovetail school with their childcare responsibilities, and boys combine school with work.

The entry of women and children into the labor market in growing numbers has not necessarily meant that fewer men are working. Households increasingly must depend on multiple earners. In Chawama, Cisne Dos, and Commonwealth, women and to a far lesser extent children work primarily to complement rather than to substitute for male income in the household. The poorer the household, the greater the number of women working and the more dependent it is on women's earnings. In Chawama and Cisne Dos working women contributed more than half of the earnings in poor households, compared with only a third in nonpoor households. In Commonwealth working women contributed just under half of household earnings in all income groups.

Men's employment has declined somewhat in Chawama, however, because of formal sector contraction, and in Angyalföld it has declined because of the dismantling of insolvent state-owned enterprises. But the most important change has been in the contractual nature of work, as secure wage employment has decreased and casual labor has increased. Although these changes have created more flexible labor markets, they have also led to growing insecurity for many male workers.

Differences among the communities in employment opportunities have led to different household strategies for coping with changing labor demand. In Cisne Dos workers have migrated to rural areas to take advantage of new opportunities in shrimp aquaculture, sending remittances to their families in Guayaquil. In Commonwealth households have been able to partially offset vulnerability in the formal labor market through remittances from household members working overseas and through expanding opportunities in the informal sector. In Chawama, however, the few opportunities in the informal sector (limited to employment for a few male traders) have been insufficient to compensate for retrenchment in formal sector service employment.

Mobilizing additional labor can bring significant economic payoffs in increased household income. But the strategy can also have important costs. In Commonwealth, for example, nine out of ten people employed overseas as contract workers come from nonpoor households, suggesting that relying on foreign remittances is a successful strategy for reducing poverty. But in the long term splitting households can increase their vulnerability by weakening family relationships. Local women voice growing concern about the erosion of family values, the long-term effects on children of being brought up without guidance from fathers, and the decline in the reciprocity networks that have long been an important part of the Philippine society's complex system of family obligations and claims.

Child labor also raises important concerns. When the poorest households depend on their children's labor as an asset, rather than invest in their children's future by educating them, they risk perpetuating poverty from one generation to the next.

Social and Economic Infrastructure as an Asset

Finding 2: Where the improvements in social and economic infrastructure of the 1970s have not been maintained through the 1980s and into the 1990s, there have been implications for the ability of poor households—less able to substitute private for public services—to earn incomes.

Social and economic infrastructure makes a crucial difference in the ability of the urban poor to overcome poverty and vulnerability. While social services such as education ensure that people can gain skills and knowledge, economic infrastructure such as water, transport, and electricity—together with health care—ensure that they can use their skills and knowledge productively. In all four research communities, but particularly in those with secure tenure, the provision of social and economic infrastructure steadily improved during the late 1970s and early 1980s.

The circumstances in which services are provided often determines the effectiveness of delivery. In Cisne Dos, where the community organized to obtain water and electricity through a "bottom-up" process, the level of services has been higher, and services have been sustained longer, than in the other two developing country communities. In Chawama, where infrastructure was provided through "top-down" programs, services have been less satisfactory. In Commonwealth the unresolved legal status of the community hindered the upgrading of services until the mid-1980s, although the private sector and nongovernmental organizations (NGOs) picked up some of the slack. In Angyalföld the state's historically large role is clearly reflected in the almost universal (and homogenous) public provision of services.

Public investments in education during the late 1970s and early 1980s ensured gains in human capital. Reflecting national trends, the working population in both Chawama and Cisne Dos was better educated in 1992 than a decade earlier. Moreover, the education gap between men and women narrowed in Cisne Dos, though not in Chawama. In all four communities the education levels of household heads were clearly linked to income levels: the less education the household head had, the greater the likelihood that the household was below the poverty line. Among nonpoor households, male heads of household were better educated than female household heads.

In countries experiencing economic difficulties, cuts in public spending are often inevitable. As a result of such cuts, the provision of services declined in Chawama, Cisne Dos, and Commonwealth during the late 1980s and early 1990s. Particularly problematic were changes in water supply. In Cisne Dos the declining quality of piped water prompted nonpoor households to substitute private for public sources, purchasing drinking water from vendors, and to install water pumps to cope with low pressure. Poor households, unable to afford these solutions, had to put up with the poor service. In Commonwealth most households have had to rely on artesian wells since the public water supply was cut off in 1984. In Chawama in 1992 women made at least two trips a day to fetch water, with each trip taking more than an hour.

As public investment in infrastructure has declined, people have increasingly come to prefer private services, perceived to be of higher quality. In Chawama and Cisne Dos, for example, half of those who were ill in 1992 opted for private health care. But what the decline in public spending also means is that the quality of services that a household can obtain, and the accessibility of those services, have become a function of its ability to pay, with nonpoor households better able than poor ones to replace public services with private. In Commonwealth the nonpoor use private health care services, while the poor depend on public health care. In Angyalföld a small share of affluent households opt for private health practitioners. Another result of declining public spending on basic infrastructure services is the rising share of income that households must allocate to such needs as water, transport, and energy. In 1992 the poorer the household, the higher the proportion of income paid for such services.

Poor households' greater vulnerability to service deficiencies and cuts in public spending can reduce their income-earning capacity. Where access to services has deteriorated, the poor must often spend more time to meet daily needs. Women are most severely affected by poor access and quality. Because their labor is critical to reducing vulnerability, this can have important implications for household welfare: when it takes women longer to carry out such tasks as fetching water, they have less time for income-generating activities. Where services have become prohibitively expensive or have declined in quality, unaffordable health care and poor sanitation can have serious implications for families' health. When declining provision of social and economic infrastructure means that children are not attending school because their parents cannot afford fees, or that households are depending on child labor to maintain current consumption, it will affect households' income-earning capacity not only in the present but also long into the future.

Housing as an Asset

Finding 3: Housing is an important productive asset that can cushion households against severe poverty, and land market regulation can either create opportunities to diversify its use or foreclose them.

Housing insecurity, such as when households lack formal legal title, increases the vulnerability of the poor. But when the poor have secure ownership of their housing, they often use this asset with particular resourcefulness when other sources of income are reduced. Home owners use their housing as a base for enterprises or rent it to raise income. They sell part of their plot or, as a last resort, all of their property. They save "imputed rent" that would otherwise be added to household expenditure. And they use their housing as a tool for extending personal relationships and generating social capital.

The four case studies show that the ability of home owners to use their housing to reduce vulnerability depends on the regulatory environment. Where it is flexible, owners are able to sell part of their property or build new homes on their plot—or expand the existing one—to accommodate their children's newly formed families. This finding supports the World Bank's view that priority should be given to establishing appropriate institutional and legal frameworks for effective housing policy.

In Cisne Dos, where the land market is unregulated, families have used an intergenerational "nesting" strategy—building separate housing structures on their plot on an informal basis—to reduce the vulnerability of newly formed young households or of elderly parents. As a result, there has been little development of a rental sector. This densification strategy can cause additional environmental or space problems, however, where it means that more people depend on the same facilities—for example, sharing latrines.

In Chawama, by contrast, the regulated Zambian land market has prevented such densification strategies, encouraging the growth of an illegal, high-cost rental sector. Young residents who cannot afford to rent are forced to move in with home-owning relatives, increasing households' dependency ratios and decreasing their per capita incomes. Home ownership in Chawama has become a mixed blessing. In Commonwealth, where legal title is not secure, households feel vulnerable regardless of their poverty level.

The opportunities that housing, particularly if owned, provides for home-based enterprises are especially important for home-bound women, allowing them to contribute to household income. The success of such enterprises, however, depends on access to assets that complement home ownership, such as electricity, water, skills, and credit. Differences in the poverty reduction achieved through home-based enterprises reflect initial disparities in households' access to such assets. In Chawama households have been able to cushion themselves against extreme poverty through home-based enterprises, and in Commonwealth households have been able to raise their income levels considerably. In Angyalföld, however, housing is rarely used for home-based enterprises.

Strategies centered on housing as an asset can help households move out of poverty or can prevent them from slipping so far that they become unable to respond to new opportunities. But the study showed that a dwelling or a plot alone usually is not enough to reduce vulnerability. Legal title is needed to give households the incentive to invest in upgrading their homes and the security to use them in productive ways. Legal title also gives households the incentive to invest in their communities. These findings support policy recommendations that emphasize legalizing existing dwellings as a way to create a stable environment in which both investments to assist the poor and investments by the poor can reduce vulnerability.

Household Relations as an Asset . . .

Finding 4: Changes in household structure to strengthen family support networks are both a result of vulnerability and a strategy to reduce vulnerability.

Household relations are rarely considered an asset, but in fact they play an important part in a household's ability to adjust to changes in the external environment. A household's composition and structure and the cohesion of family members can determine its ability to mobilize additional labor, for example. The study found that households are important adaptive institutions for the poor, providing mechanisms for pooling income and other resources and for sharing consumption. In times of economic difficulty, households act as safety nets.

Households are not static entities. They routinely restructure for internal reasons, such as birth, death, marriage, childcare needs, marital conflict, and the need to support weaker members, such as the elderly. They also restructure in response to external crises, such as housing and employment problems. In the short term households act as "shock absorbers," reducing vulnerability for individuals who join them. In the longer term restructuring can increase or decrease vulnerability for the household as a whole, depending on the financial and labor contributions made by the new members.

Despite the differences among the four communities, household restructuring has followed similar trends in all of them. Consistent with the global trend, an increasing number of households are headed by women. Contrary to the common stereotype, households headed by women are not necessarily poorer than households headed by men. Indeed, often only women with independent means can afford to head a household. The poorest households are most often extended households. These households typically are made up of a couple, their children, and other related adults and children, a structure leading to high dependency ratios and low per capita incomes. The one exception to this pattern is Chawama, where the incidence of poverty is greater among households headed by women than among those headed by men.

A second long-term trend is the increasing number of extended households. In 1992 such households constituted more than a third of households in Chawama, Cisne Dos, and Commonwealth. Nuclear households expand to larger, extended households—with lower per capita incomes and higher dependency ratios—to provide a refuge or safety net for vulnerable individuals or in a conscious strategy to more effectively pool such resources as food, space, income, and childcare.

The study's results highlight three kinds of survival strategies related to household restructuring. Households often restructure to integrate "hidden" female heads—young single mothers, unwed or separated from their partners. This largely unrecognized phenomenon is common in the three developing country communities. In 1992 half of the extended households in Cisne Dos, a quarter of those in Commonwealth, and a fifth of those in Chawama included young, generally poorly educated mothers, most of whom did not even regard themselves as household heads. Depending on resource allocations in the household and whether the women are working, they might be the poorest of the poor—although for targeting purposes they are largely invisible.

An important strategy for poor middle-aged women is to avoid heading a household. In Chawama women view female headship as a high-risk arrangement—largely on economic grounds. Strategies to avoid taking on primary income-earning responsibility revolve around serial monogamy. When relationships break up, women rapidly seek new partners. Complex negotiations between partners often result in children being sent into the care of relatives.

Women's strategies for coping with the restructuring of households prompted by the termination of a marriage, through divorce, separation, or death, vary among communities, depending on the social and institutional context. In Angyalföld women tend to stay single after marriages end, in order to remain eligible for single women's benefits—though they often maintain a relationship with a nonresident partner. In Cisne Dos, where nearly half the female heads of households are separated or divorced and another third are widows, older women absorb younger relatives into their households, pooling incomes and sharing responsibility for caring for children and the elderly.

. . . But One Often Associated with Inequalities

Finding 5: Strategies to reduce vulnerability sometimes impose unequal burdens on household members. Women, because of their multiple responsibilities, have frequently assumed a disproportionate share of the burden of adjusting to adverse economic circumstances, thus limiting their ability to respond to new opportunities.

Households are an important mechanism for providing security and for redistributing income and other resources. But they can also be sources of inequality for their members. Depending on how access to and control over resources within the household are distributed, individual household members can face either opportunities or constraints in responding to economic difficulties and can experience either positive or negative effects as households adjust to the changing external environment.

In all four communities the study found that the burden of coping with economic crises is often unequally distributed within the household. While women have increasingly taken on paid work in addition to their household responsibilities, men have not adjusted by taking on significantly more household tasks. Nor have governments or local communities made compensatory adjustments by providing more childcare facilities.

In all the research communities men and women put in nearly the same number of hours in productive work (work for cash or kind, including market and subsistence production). But while women average thirteen to sixteen hours a week in reproductive activities (work to maintain and reproduce the labor force, including childbearing, childrearing, and domestic tasks but not childcare), men average five or fewer hours a week on these tasks. Both devote little time to community managing activities (work in the community to ensure the provision and maintenance of collective resources), but in these tasks too women average more time than men. This division of labor shows that women consistently average more time working than men.

For women forced by economic factors into paid employment, the total amount of time spent on work depends on household structure. Women in extended households can frequently reallocate reproductive tasks to daughters, mothers, and sisters—as in Commonwealth, for example, where there are strong traditions of intergenerational childcare support. In nuclear households in Cisne Dos older daughters quickly assume responsibility for younger siblings. Mothers often effectively allocate all reproductive tasks to daughters, devoting themselves entirely to productive work. Women who lack childcare support and have only very young children have no alternative while away at work but to lock them up in the house.

Within households who controls income flows often is as important to the well-being of individuals as increases or decreases in household income. In the three developing country communities women have primary or equal decisionmaking responsibility for purchases of food and clothing, while men make the decisions on purchases of alcohol, cigarettes, and other luxury items for their personal consumption. Since male alcohol consumption is frequently the biggest drain on household resources, this division of decisionmaking power has important implications for women's ability to budget. Regardless of women's financial contribution, their responsibility for food provisioning outruns their resources, requiring them to negotiate with men to gain access to the men's income. By contrast, in Angyalföld men tend to hand over their pay packet—and control over it—to women.

As family members adjust their lives to diversify or increase household income—women by taking on paid work, children by taking on jobs or additional responsibilities at home, and men by migrating to find employment elsewhere—they reduce household vulnerability. But these adjustments have social costs, which, though difficult to quantify, show a number of common characteristics across the study communities. Families have had to change long-held norms and patterns of parenting. Women in all communities worry about neglecting their children. They are concerned about older daughters suffering from less care and guidance, and they worry above all about reduced control over teenage sons, who, with less supervision, may be more likely to drop out of school, to become involved in street gangs, and in some communities to be exposed to drugs.

When adverse economic conditions put additional pressure on human relationships, increased conflict and even violence between household members sometimes result. In all research communities women reported that domestic violence was prevalent, and they identified a direct link between declining male earnings and increasing domestic violence, often associated with alcohol abuse. In Angyalföld and Cisne Dos marital conflict was the main cause of household restructuring. While separation reduced violence, it meant that households had fewer assets on which to call. Least recognized is that economic pressure can exacerbate conflict between parents and children, often because of the increased reliance on children's labor. Children do not always immediately accept the added responsibilities. Other conflicts can arise because of parents' lack of time to supervise their children, which children respond to by not studying or not helping in the home, and sons by spending too much time in the street, often drinking.

Social Capital as an Asset

Finding 6: The pressures of economic crisis can exert opposing forces on social capital—both strengthening it, as reciprocity networks are increasingly called into play, and eroding it, as households' ability to cope deteriorates and community trust breaks down.

The norms, trust, and reciprocity networks that facilitate mutually beneficial cooperation in a community—its social capital—are an important asset, one that reduces vulnerability and increases opportunities. When communities become poorer, their stock of social capital can erode, making it more difficult for them to cope with the problems of declining public services.

The settlement consolidation process has much to do with a community's stock of social capital. Reciprocal relationships and social networks have their origins in rural-urban family links, in networks based on kin and place of origin, and in more recently formed local networks. Regardless of setting, these networks are important in the consolidation process. Short-term reciprocity, centered mainly on money and responding to such crises as death and illness, and longer-term reciprocity in food, water, space, and childcare are a precondition for the trust and cooperation that underlie community-based organizations (CBOs).

Differences in the way the communities achieved consolidation have led to differences in their stocks of social capital, reflected in the type and duration of CBOs. Squatter communities such as Cisne Dos and Commonwealth, consolidated through long processes of conflictual negotiation with political parties and governments, have developed CBOs capable of negotiating for improved services, supplied by government agencies or NGOs, during periods of constrained resources. In communities such as Chawama, served by top-down government delivery systems and by church and NGO welfare delivery systems that do not necessarily increase the stock of social capital, CBOs are less developed.

The permanence of social capital cannot be taken for granted. When households are coping, they support others. But when their assets are depleted, they cease to support the community. The case studies show a mixed picture of erosion and consolidation of social capital under difficult economic conditions.

Overall, the evidence suggests that where households have sufficient resources, reciprocity in cash and nonmonetary exchanges has been sustained. In all communities reciprocal links between neighborhood women, for example, have strengthened. In sophisticated reciprocal arrangements designed to achieve efficient use of time, women share food, water, cooking, and childcare. Traditional credit arrangements were found in all the research communities, with poorer households borrowing on a short-term basis from neighbors and nearby relatives for daily consumption needs such as food and water and to pay electricity bills. Reciprocity networks also extend beyond the local community. In Commonwealth, for example, complex urban-rural reciprocity systems have remained strong, reducing vulnerability for both urban and rural households.

But other evidence suggests that economic crisis has pushed some households beyond the point at which they can sustain such reciprocity. In Chawama poor women said they had ceased to borrow from their neighbors because of increasing problems in repaying them, and reciprocal links with rural communities have become strained as households are forced to focus on their own survival. In Cisne Dos the weakening of informal borrowing arrangements in the community prompted two local NGOs to establish emergency fund programs in the late 1980s.

Women's community managing activities are often critical in ensuring the provision and maintenance of such basic services as water, nutrition, and health care. But the increasing constraints on women's time have made it difficult for them to continue these efforts. In all communities in 1992 the only widely attended institution was the church. Few women were actively involved in CBOs. Women attributed the declining participation to their increased need to earn income. The most important community-based activities are externally managed NGO and government programs that provide direct income or welfare benefits to participants. Men recognize the contribution to household resources from women's time in such activities. As a carpenter in Cisne Dos commented, "I earn the money, and my wife looks after the children and attends the meetings."

Economic crisis also strains the social fabric in other ways. Escalating crime and violence—attributed to increasing unemployment, particularly among young men, and growing drug and alcohol abuse—threaten personal safety and increase isolation as people become reluctant to leave their homes at night. The rising number of burglaries has reduced the trust among neighbors and community members. This, along with rising rates of murder, crime on the street and on public transport, and vandalism of public property, has reduced community participation, further eroding stocks of social capital. In part because of increasing corruption, all communities lack confidence in the ability or willingness of the police to address such problems.

Priorities for Action

Although changing economic circumstances have presented some new opportunities for the urban poor, the study's findings suggest that the innovative strategies and resourcefulness of individuals, households, and communities are often insufficient to offset the erosion of their asset base. Several actions could help improve the ability of the poor to mobilize their assets to prevent increased poverty or vulnerability.

Support Households in Their Role as Safety Nets

Designing appropriate interventions to support households in their role as safety nets raises two issues for policymakers. First, to ensure that interventions complement and strengthen, rather than substitute for, people's own initiatives, priority should be given to longer-term structural interventions—such as to restore eroding infrastructure—rather than to short-term compensatory measures. Second, since many of the poorest households are those headed by single mothers "hidden" within extended households, it is important to target such women or their children directly, through health clinics or primary schools.

Alleviate Constraints on Women's Labor Supply

The case studies clearly showed the critical importance of women's labor in reducing household vulnerability, and how constraints on their ability to carry out their multiple responsibilities can harm children's development. To foster the well-being of families, interventions are needed to reduce these constraints—for example, better provision of childcare and more easily accessible water supplies and health services. To ensure that such interventions are mainstreamed, gender planning should be integrated into program and project design.

Ensure That Social Capital Is Not Taken for Granted

The erosion of social capital during economic crisis can break down community-based systems for delivery and maintenance of social and physical infrastructure. Ways to strengthen stocks of social capital to prevent such breakdown could include efforts to break dependency syndromes, rebuild eroded trust between the government and the community, and introduce realistic valuations of "voluntary" community work. A necessary first step is community-level institutional analysis, to identify the stocks of capital that exist.

Develop Social Policy That Integrates Human and Social Capital

To increase the economic productivity of the poor requires a comprehensive, holistic, social policy approach that recognizes the complex interdependency of social and human capital. In the past decade policy has increasingly reflected the role of human capital in economic development. Much more recent recognition of the importance of social capital in economic development, and the effects of its erosion during periods of economic stress, suggests the need for a social policy approach that creatively combines individual choice with community participation, linking human development with societal development.

Pursue Further Research

Although the study was not designed to measure the effect on poor communities of macroeconomic interventions, its results raise a number of issues concerning links between local communities and the broader economy in the context of such forms of restructuring as privatizing infrastructure, deregulating markets, and restructuring labor markets. Further research is critical to identify marketization and privatization strategies most likely to benefit the poor. The allocation of resources within households and the effects of this resource allocation on children also need more investigation.

The issue of social capital too warrants further research. Key questions that follow-up research should address include these: How is social capital strengthened by being used? When does it become overwhelmed and break down? And how can breakdown be avoided?

Tools for Strengthening the Assets of the Poor

Poverty reduction measures are neither simple nor straightforward. Designing effective locally based approaches to reduce poverty and vulnerability in urban communities requires tools for accurately defining mechanisms for strengthening the assets of the poor. Such tools would help analysts move beyond "ideological" statements about reducing poverty to strategies based on the particular assets and labor supply constraints of the poor in the targeted community.

One such tool is the asset vulnerability matrix developed by the study, which can be used to identify factors increasing or decreasing the vulnerability of the poor. Applying this framework, the study identified outcomes of asset vulnerability in the four poor urban communities, as well as potential solutions. The results of this analysis provide a practical guide for similar exercises (see table 8 in chapter 9).

CHAPTER 1

Introduction

This report presents the principal findings of a comparative study of four poor urban communities in countries experiencing economic difficulties during the past decade: *Chawama,* in Lusaka, Zambia; *Commonwealth,* in Metro Manila, the Philippines; *Cisne Dos,* in Guayaquil, Ecuador, and *Angyalföld,* in Budapest, Hungary. The study explored how poor urban households respond to changes in economic circumstances and labor market conditions—in other words, "how the impact has been felt on the ground" (World Bank 1995c, 46).

The World Bank, following the recommendations of *World Development Report 1990* on poverty (World Bank 1990), links its lending to governments' efforts to reduce poverty (World Bank 1991a, 1991b). Country assistance strategies recognize the importance of determining which groups in society are poor, and country poverty assessments use a variety of national surveys to measure the incidence, intensity, and severity of poverty (Demery, Ferroni, and Grootaert 1993; World Bank 1994b).

But for policymakers to design locally based solutions that ensure that the poor are active participants in growth, rather than passive recipients of compensatory measures, requires detailed evidence on the resourcefulness of poor people, households, and communities. Understanding how the poor respond to economic crisis can help ensure that interventions aimed at reducing poverty complement and strengthen people's own inventive solutions rather than substitute for or block them.

The poor always face harsh conditions, but economic stress and decline intensify adversity. The study examined how poor households adjust to a deteriorating situation, what strategies they adopt to limit the impact of shocks and generate additional resources, and what constraints impede their actions. The study's findings highlighted differences within the four communities—some households cope better than others—as well as important similarities and differences among the communities.

The study's antecedent was a longitudinal community panel study that compared households in a low-income community in Guayaquil, Ecuador, between 1978 and 1988. Undertaken by Caroline Moser, then at the London School of Economics, that study used both a sociological survey and anthropological participant observation to highlight comparative issues at household, intrahousehold, and community levels (Moser 1992). This study extended the Guayaquil study and undertook three additional urban community case studies in countries with contrasting experiences of economic difficulty with primary data collected through extensive fieldwork in 1992 (see appendix 2 for a description of the study's methodology).

The study's research tools and data for analysis

The study combined three different research tools:

- A random sample survey of about 200 households in each community to collect socioeconomic data
- A subsample survey of thirty to forty women selected from households interviewed in the random sample survey, to collect in-depth qualitative and perception data
- A community survey to provide descriptive data on each community, its history, and the provision of basic services and infrastructure.

Using these tools, the study collected three different types of data for analysis:

- Longitudinal trend data from the random sample survey comparing changes within the spatially defined areas identified as the research communities using a set of standard variables. These data include long-term trend data (1978–92) for Cisne Dos (Guayaquil) and Chawama (Lusaka) and short-term trend data (1988–92) for Cisne Dos and Commonwealth (Metro Manila).
- Cross-sectional static data from the random sample survey and the subsample survey describing characteristics in each research community in 1992, using a standard methodology.
- Comparative static data from the random sample survey comparing and contrasting characteristics of the four research communities in 1992, using a standard methodology.

The research work program, undertaken with some sixty researchers in four countries, consisted of four major stages of activity, each building on the preceding one and providing the basis for the next. The *research* stage, on which this report focuses, contained three phases—contextual research, research surveys, and research analysis. The *tool development* stage resulted in a two-volume resource book (Moser, Gatehouse, and Garcia 1996). The final two stages, *consultation* and *follow-up*, led to local consultations and stakeholder workshops on research results in the four countries. Designed as an interactive process with local researchers, the research project included consultation at different stages during which researchers shared analytical and methodological techniques and participated in capacity building workshops.

What Can Community Studies Contribute?

Despite a well-established track record confirming the policy relevance of community-level measurements and analyses of poverty,[1] many policymakers remain unaware of the contribution that sociological and anthropological community-level studies can make to poverty analysis. The community is a long-established unit for sociological analysis of poverty, dating back to the Chicago studies of the 1930s and the community studies in the 1950s in the United Kingdom. Since the 1960s anthropological and sociological studies of urban poverty in developing countries have favored in-depth studies of squatter settlements over larger sample surveys because they yielded better-quality data and a more complex understanding of social relationships among the poor. The classic slum studies of the 1960s and 1970s documented and monitored the invasions, consolidation, and growing internal socioeconomic differentiation in the squatter settlements of rapidly urbanizing cities—the *barrios*, *tugurios*, and *kampongs*.[2] The shift in development priorities during the 1980s and early 1990s toward more participatory, community-based interventions has been reflected in a new focus on community-level research methodologies.

The main disadvantage of community-level surveys is that they may not be statistically representative of the poor.[3] However, this disadvantage can be minimized by concentrating on processes and relationships within the community that otherwise would not be uncovered, and by avoiding universal claims about the poor. The strength of a comparative community study such as this one is its capacity to examine behavioral responses at household, intrahousehold, and community levels. By highlighting how informal and formal social institutions—including households and community organizations—foster or limit the capacity of households to adjust to external constraints in different contexts, comparative community studies complement more typical economic research focusing on individuals, including the poor, as "atomistic decision-makers in product and labor markets, not as members of social groups" (Noel 1992, 4). It is within this tradition that this research project was developed.

In the context of recent extensive research and evaluation of recession and economic reform (Commander 1989; Corbo, Fischer, and Webb 1992; Cornia, Jolly, and Stewart 1987; Sahn 1992; Demery, Ferroni, and Grootaert 1993; Afshar and Dennis 1992; Palmer 1991; Woodward 1992; World Bank 1995c), it is also important to clarify the limitations of micro-level studies. The methodological constraints in the study of economic reform are well known. Particularly difficult is attributing causality—establishing whether observed differences are the results of policies or of changes in the external environment. At the microeconomic level, for instance, the effects of external and internal shocks and policy mismanagement cannot easily be separated from the effects of stabilization and structural adjustment.[4] Equally difficult is counterfactual analysis—the study of what would have happened without economic reform or with different reform. The complex ways in which the effects of macroeconomic policy reform are transmitted to households and other institutions making economic decisions also complicate analysis.

For these reasons, an explanatory framework capable of identifying causal links is beyond the scope of this study. The study is intended primarily to shed light on the coping strategies of poor households in periods of economic difficulty, whatever its causes, and therefore should not be seen as a discussion of economic reform policies or their effects. Its main objective is to contribute to the design of more relevant poverty reduction interventions (box 2).

What the Study Found

Through trend analysis that went beyond income and expenditure data to examine household responses, the study built a cumulative, cross-sectoral picture of the strategies individuals and households use to mobilize their assets to protect their standard of living in the face of economic crisis. In all four study communities a major source of vulnerability has been the labor market. Deregulation, a decline in the share of formal sector employment, and increased insecurity and instability in the informal sector have all contributed to declining household income. Households have responded by mobilizing the labor of additional members, with their capacity to endure economic change closely associated with their ability to draw on labor and human capital. In all the communities households with less-educated members or less adult labor, or both, have been more likely to send the mothers of young children—or even school-age children—into the labor market. These workers undertake employment that is largely informal and poorly paid—indeed, the gap between men's and women's earnings was greater in the informal sector than in the regulated formal sector. Households mobilizing additional labor have reduced short-term poverty, but in forgoing human capital development, they may risk perpetuating their poverty into the future.

Differences in labor demand among the communities have led to different household strategies. In Commonwealth, in Metro Manila, households have partially offset vulnerability in the labor market by overseas remittances from family members and by employment in the growing informal sector. By contrast, in Chawama, in Lusaka, a lack of informal sector opportunities has made it difficult for households to compensate for retrenchment in formal sector service employment.

As households have responded to economic crisis, the importance of land and housing as productive assets in the urban context has become evident. In all the communities households that either own their housing or have security of tenure have benefited from the use of housing not only in generating income but also in reducing the vulnerability of both older and younger family members. These strategies are common in both Chawama and Cisne Dos, with the use of housing to generate income particularly important for home-bound women. Where tenure rights are insecure, as in Commonwealth, households have felt vulnerable regardless of their poverty level.

Box 2. Contributions to recent World Bank studies

Empirical results from the research project have already been integrated into a number of recent World Bank studies, including World Bank poverty assessments or poverty profiles in the four countries in which case studies were undertaken. In each case the results complemented national household surveys focusing on urban poverty, such as the Living Standards Measurement Study (LSMS) surveys and Social Dimensions of Adjustment (SDA) surveys.

A 1994 poverty assessment in Zambia used empirical results from the Chawama case study to highlight a number of issues beyond the scope of the SDA survey, including gender-differentiated opportunities and constraints in the informal sector, housing as an asset for renting and home-based enterprises, and time and violence as constraints on women's access to water. A subsequent document, "Reducing Poverty in Zambia: Getting from Ideas to Action" (World Bank n.d.), included two recommendations identified in the Chawama case study: legalizing periurban settlements and facilitating titling of land and housing, and improving water supply and sanitation using a community-based approach. The second recommendation has been implemented in demonstration projects in the Zambia Urban Restructuring and Water Supply Project.

The "Ecuador Poverty Report" (World Bank 1995a) drew on the study's micro-level results, substantiated by LSMS data, to help shape one of the main objectives of the poverty alleviation strategy—strengthening the assets of the poor. These results related to women's labor force participation and constraints to their participation, and ways in which the urban poor use housing as an asset.

"Philippines: A Strategy to Fight Poverty"(World Bank 1995b) used research results from Commonwealth as a starting point for the design of an urban poverty reduction strategy. The report identified violence, lack of secure, affordable housing, and inadequate water supplies as key problems for the urban poor—issues whose importance was confirmed by other sources of data and by consultations in the Philippines.

Finally, a 1995 poverty report for Hungary included evidence from the Angyalföld study on individual and household coping strategies to complement LSMS survey data.

Broader World Bank studies have also drawn on the results of the research project. *World Development Report 1995* (World Bank 1995e), asking the question "Who bears the burden of major changes?" cites empirical results from Ecuador and Zambia to argue that formal wage and employment data reveal only a small part of the picture. These data fail to capture the crime and violence accompanying the fall in living standards, and that household members, especially women, have to work more hours to make ends meet.

Toward Gender Equality: The Role of Public Policy (World Bank 1995d), a World Bank report prepared for the Fourth World Conference on Women, held in Beijing in 1995, uses empirical results from all four communities to show that informal sector activities are very important for women during periods of economic reform, though their earnings in such activities are only about half to two-thirds as much as men's. It also cites results from Commonwealth to show the opportunities for women in the formal sector and in the informal sector—where spouses sometimes join the successful enterprises of their wives.

In all the communities investments in basic infrastructure in the late 1970s ensured gains in human capital and in economic productivity. But the weaker the provision of such infrastructure, the greater the adverse effects on the productivity of the poor. Lack of electricity in Chawama, for instance, has long affected the capacity to generate productive enterprises in the informal sector.

In the 1980s the declining quality and increasing cost of infrastructure services affected households in different ways. While nonpoor households have increased spending on health and education, the poorest have been far less able to pay for infrastructure services and to substitute private for public services. Because poor access to such services has lagged effects, the outcomes of this disparity cannot be accurately predicted.

Changes over time in the composition of households and in communities' social capital—the trust, reciprocal arrangements, and social networks among people—show the importance of processes of social change. Internal life-cycle events—births, deaths, marriages—play a big part in determining how, when, and why households move into and out of poverty. An important strategy to reduce vulnerability has been the extension of households to pool income and space. At the same time growing stress and conflict within households, caused by the decline in household income and the increasing need for married women and children to seek work, are evidence of a declining social fabric.

The way in which communities' stocks of social capital were constituted during their consolidation influences their capacity to respond to such community problems as the erosion of local services. Social institutions such as the family and community sustain notions of mutual help, cooperation, and altruism. A rise in alcohol and drug use (especially among young people), a decline in community support networks and in community-based organizations (CBOs) due to increased pressure on women's time, and diminished public safety due to increasing levels of violence all provide evidence of the erosion of social capital in some communities.

The common perception that households headed by women are poorer than those headed by men has been displaced by evidence from all four study communities that women try to avoid heading households unless they are economically independent. Single mothers have been absorbed into extended households as "hidden" heads of household in Cisne Dos, and middle-aged women in Chawama have adopted a strategy of serial monogamy. Where government benefits support single-parent households, as in Angyalföld, in Budapest, households headed by women are common. For many women, being the sole head of a household is a way to avoid domestic conflict and violence, though it reduces the assets on which they can draw.

The study's results confirm the importance of analyzing households both as collective units whose members are equally affected by change, and as units in which change affects males and females differently. Household restructuring, an important response to economic difficulties, results in both winners and losers. From the four communities a common picture emerges of inequality within households in the distribution of responsibilities, with wives and older daughters often most burdened. As households strive to cope with economic difficulties, girls and women take on even more responsibility. Economic pressure also burdens women in other ways: in all four communities women reported increasing domestic violence, often associated with drinking.

Changing economic circumstances have presented some new opportunities for the urban poor, and individuals, households, and communities have responded with innovative strategies and resourcefulness. The study's findings suggest, however, that their strategies are often insufficient to offset the erosion of their asset base. Several actions could help improve the ability of the poor to mobilize their assets to prevent increased poverty or vulnerability (see chapter 9).

Part I

Conceptual Framework and Socioeconomic Characteristics of the Four Communities

CHAPTER 2

Poverty and Vulnerability

As governments and donors have become more preoccupied in recent years with the problems of poverty in countries experiencing economic difficulties, national household surveys measuring the incidence and severity of poverty have proliferated. Despite increased sophistication in the measurement of poverty, unanswered questions remain. Ravallion, for instance, has noted that "counting the poor reveals nothing about gains and losses among the poor" (1992, 1). How do households confront economic difficulty, and how effective are the strategies they adopt? Do changes in households' headship, structure, or composition influence their choice of strategies? What other factors at the community, household, and intrahousehold levels diminish or increase the ability of the poor to respond to conditions created by the external environment? Does the burden of coping fall equally on all household members? Issues such as these are often beyond the scope of national household surveys and require a case study approach.

Poverty has generally been assessed in both absolute and relative terms by people's income or by their consumption of certain commodities. However, the limitations of such measures have highlighted the importance of recognizing the multifaceted nature of poverty. The capabilities of individuals and households are deeply influenced by factors ranging from the prospects for earning a living to the social and psychological effects of deprivation and exclusion. These factors include people's basic needs, employment at reasonable wages, and health and education facilities (Streeten and others 1981). They also include the socially generated sense of helplessness that often accompanies economic crisis—what Amartya Sen (1985) in his discussion of human capabilities calls the "politics of hope and despair"—with its associated social crime rates (Bardhan 1996).

To capture the multidimensional aspects of changing socioeconomic well-being, the study includes the concept of *vulnerability*. Although vulnerability is often used as a synonym for poverty, the terms are not the same. Because poverty measures are generally fixed in time, poverty is essentially a static concept. By contrast, vulnerability is more dynamic: "people move in and out of poverty" (Lipton and Maxwell 1992, 10), and vulnerability better captures the processes of change. In addition, the concept of vulnerability introduces more complex aspects of "livelihood security" relating to survival, security, and self-respect, as well as people's subjective perceptions of their poverty—what it means to be poor (Chambers 1989, 1). Although poor people are usually among the most vulnerable, not all vulnerable people are poor. Finally, vulnerability can characterize not only individuals, but also households and communities.

Vulnerability, Asset Ownership, and Coping Strategies

The concept of vulnerability has not yet been rigorously defined or theorized.[5] In addition, because of the concept's concern with contextually specific processes of change, identifying widely accepted indicators of vulnerability has proved difficult. Nevertheless, this study provides an operational definition of the elements of vulnerability. Vulnerability is defined as the well-being of individuals, households, or communities in the face of a changing environment.[6] Environmental changes that threaten well-being can be ecological, economic, social, or political, and they can take the form of sudden shocks, long-term trends, or seasonal cycles. With these changes often come increasing risk and uncertainty and declining self-respect. Analyzing vulnerability involves identifying not only the threat, but also the "resilience" in exploiting opportunities and in resisting or recovering from the negative effects of the changing environment. The means of resistance are the assets that individuals, households, or communities can mobilize in the face of hardship.

Vulnerability is therefore closely linked to asset ownership. The more assets people have, the less vulnerable they are, and the greater the erosion of people's assets, the greater their insecurity. Building on the work of Sen (1981), Swift (1989), the World Bank (1990), and Putnam (1993a), this study developed a simplified classification of assets, both tangible and intangible:

- Labor—the most important asset of poor people
- Human capital—health status, which determines people's capacity to work, and skills and education, which determine the return to their labor
- Productive assets—such as land and housing, of particular importance for poor urban households
- Household relations—a mechanism for pooling income and sharing consumption
- Social capital—reciprocity within communities and between households based on social ties.

Associated with each asset are a number of types of vulnerability. To help in identifying potential indicators of increasing or decreasing vulnerability, the study created an asset vulnerability matrix (table 1).

The poor have always had strategies for day-to-day coping with low incomes, high consumer prices, and inadequate or unreliable economic and social infrastructure. But to withstand economic shocks or long-term economic crises, households must be able to survive such periods without irreversible damage to the productive capacity of their members and to their net asset position (Agarwal 1991). The greater the risk and uncertainty, the more households diversify their assets to prevent such erosion. When asset bases become so depleted that even an upturn in the economy cannot reverse the damage—when all "capital is cashed in"—households are extremely vulnerable.

Households' ability to avoid or reduce vulnerability and to increase economic productivity depends not only on their initial assets (Sen 1981), but also on their ability to transform these assets into income, food, or other basic necessities effectively. There are two distinct patterns of transformation: *intensifying* existing strategies and developing *new* or *diversified* strategies.

Although the distinction between a preconceived strategy and an unavoidable necessity is important, it is often difficult to distinguish between the two in practice. For this reason, this report uses the term *strategy* without specifying whether it was preconceived or unavoidable unless the distinction can be made. What strategies are adopted to cope with economic stress are determined by household, intrahousehold, and community factors.

Household Factors

The ability of households to respond to changes in the external environment is influenced or mediated by changes in household structure, composition, and headship (due to birth, mar-

Table 1. Asset vulnerability matrix: potential indicators of increasing and decreasing vulnerability for the individual, household, and community

Type of vulnerability	*Indicator of increasing vulnerability*	*Indicator of decreasing vulnerability*
	Individual	
Labor	• Loss of permanent job • Decline in secure wage employment • Increase in short-term, casual, minimum wage employment • Acquisition of physical disability	• Increase in household members working, especially women • Increase in home-based enterprises • Increase in jobs held by individual workers
Human capital	• Decline in access to or quality of social or economic infrastructure • Decline in school attendance or increase in the dropout rate • Decline in health clinic attendance	• Substitution of private for public services, such as water pumps, private health care, and private education
	Household	
Housing	• Increased perception of threat of eviction • Deterioration in housing stock • High level of overcrowding	• Resolution of tenure insecurity • Use of plot for intergenerational "nesting"
Household relations	• Erosion of household as a social unit due to change in structure, marital breakdown, or split households • Household extension that reduces the ratio of earners to nonearners—especially the addition of "hidden" female household heads • Inability of women to balance multiple responsibilities and community participation • Older daughters undertaking childcare • Elderly lacking caregiver • Increase in domestic violence	• Household extension that increases the ratio of earners to nonearners • Sharing of childcare, cooking, and space • Reduction in domestic violence
	Community	
Social capital	• Increasing personal insecurity in public places • Decline in interhousehold reciprocity • Erosion of community-level organization	• Community-based solutions to crime • Interhousehold reciprocity • Active community-based organizations

riage, and death), the needs of children and the elderly for care, and domestic violence (Harris 1981; Evans 1989). Household vulnerability analysis assists in determining the extent of such internal factors, their relative importance to household well-being, and the points at which internal shocks increase vulnerability.

Intrahousehold Factors

Factors within the household affect the ability of individuals to respond to the external environment. Of central importance is who controls decisionmaking and resource allocation within households. Gender-based differences arising from fundamental asymmetries in the rights and obligations of men and women in access to, use of, and control over productive resources translate into different economic capacities (Dwyer and Bruce 1988; Haddad and Kanbur 1989; Sen 1990; World Bank 1993b). This can result in different constraints and opportunities for men and women in responding to new incentives (Elson 1991; Demery, Ferroni, and Grootaert 1993, 9; Moser 1993a). Just as it cannot be assumed that individual well-being increases with rising household income, so too crisis and economic change may differentially affect the well-being and coping strategies of men and women, and girls and boys, within a household.

Community Factors

Factors that can affect a community's capacity to respond to changes in the external environment include deteriorating access to or quality of social and economic infrastructure, and increasing crime or violence (Moser 1993b). The capability of community-based organizations to reduce vulnerability—for example, to improve services through negotiation and political lobbying, or by providing alternative services through community-based delivery mechanisms—may depend on what Putnam (1993a, 1993b) terms "the stocks of social capital." These stocks can be defined as the informal and organized reciprocal networks of trust and norms embedded in the social organizations of communities—the social structure and its associated social resources. Long recognized by anthropologists as critical in building and maintaining the trust necessary for social cohesion and change, social capital is increasingly recognized by economists as an important determinant of the feasibility and productivity of economic activity.[7] Thus the extent to which economic crisis increases or erodes social capital may have important long-term consequences for communities' ability to create and sustain alternative delivery systems when publicly provided services deteriorate.

Criteria for Selecting Case Studies

A number of criteria were used in selecting the research communities. An essential criterion was location in a country that had experienced a lengthy period of economic crisis. Although Ecuador, Hungary, the Philippines, and Zambia underwent different economic developments during the 1970s and 1980s, all experienced high inflation during the 1980s and lower-than-average or declining gross per capita income during periods of crisis and recession (tables A4.1 and A4.2 in appendix 4).[8]

A second criterion in selecting countries for the case studies was variation in such characteristics as geographical location, resource base, economic development path, and per capita income. On the basis of 1992 per capita gross national product (GNP), Zambia has been classified as a low-income economy, the Philippines (US$770) and Ecuador (US$1,000) as middle-income economies, and Hungary (US$2,970) as an upper-middle-income economy (World Bank 1994c). Angyalföld, located in a highly industrialized European country with over a century of urbanization, differs in many respects from the three developing country communities. It was included in the research project to identify household strategies in a transition economy, but was largely excluded from the comparative analysis.

Although in 1992 all four countries had democratically elected governments, their historical experiences of governance differed considerably. While Ecuador had had a decade or more of democracy (with the end of military government in 1978), Zambia, the Philippines, and Hungary were emerging from lengthy periods of one-party state rule—President Kaunda's twenty years of "humanism" in Zambia, two decades of President Marcos's "benevolent dictatorship" in the Philippines, and forty years of state socialism in Hungary.

The urban focus of the study meant that urbanization indicators were also a significant consideration. All the countries selected for case studies had increasing rates of urbanization and more than 40 percent of their populations lived in urban areas. This criterion was particularly important in the selection of Zambia and the Philippines, both in regions where the majority of the population still lives in rural areas.

Within the four countries, the case study communities were selected in poor areas of their cities identified as "typical"—areas that in the late 1970s were characteristically inhabited by poor but young and upwardly aspiring populations. The three case studies in developing countries share many spatial, social, and economic characteristics. All three were undertaken in "marginal" low-income areas settled through "invasion" or "squatting" by poor households lacking access to formal housing. Although the settlers were from both rural-born and urban-born households, the majority of residents had lived in the communities for more than ten years, making longitudinal trend analysis possible. All the communities had a complex but successful history of consolidation during the 1970s and early 1980s. During this time considerable internal socioeconomic differentiation occurred, with some households prospering more than others. Lacking all services at the time of invasion, all areas had important historical experiences of site upgrading and improvements in such infrastructure as water supply, roads, schools, and health clinics. In Budapest a traditional "working-class" area was identified with more than half a century of consolidated settlement.

Equally important in selecting the case studies was identifying communities in which household surveys had previously been undertaken, so that retrospective, longitudinal community panel databases could be created.

Socioeconomic Characteristics of the Research Communities

The four research communities vary in such attributes as their settlement consolidation history, level of infrastructure provision, and community-based organizations (for profiles of the communities, see appendix 1). They also share a number of characteristics. For instance, although the standard of living varied widely among the communities, as reflected in households' absolute expenditure levels, expenditure patterns were similar.

Data from the 1992 random sample survey show that all the communities had income levels similar to those in lower-income urban areas in their countries and that poverty was more widespread in the communities than among the national urban population (table 2). Thus, for instance, although only 24 percent of households in Commonwealth were found to be below the poverty line, that rate is higher than the national urban poverty rate of 12 percent. Similarly, the poverty rate in Angyalföld, where almost 18 percent of households were below the poverty line, was greater than the nearest comparable rate for Budapest.[9] But not all households in the communities were poor.

The data show that households in Cisne Dos, Commonwealth, and Chawama were larger than the average urban household in their city and tended to be young. Households above the poverty line were considerably smaller than those below it (table 3). But while extended households in Chawama and Cisne Dos were more likely to be below the poverty line, the opposite was true in both Commonwealth and Angyalföld—a phenomenon that is explored further in the chapters on research findings (table 4).

Table 2. Incidence of poverty in the research communities, 1992
(percentage of households, based on country-specific poverty lines)

Community	*Poor*
Chawama	54.3
Commonwealth	24.0
Cisne Dos	77.2
Angyalföld	17.8

Source: 1992 random sample survey.

In the three developing country communities more than 90 percent of household income was derived from earnings, either wages or

Table 3. Household size and dependency ratio in the research communities, 1992

Community	*Nonpoor*	*Poor*	*All*
Chawama			
Household size (members)	4.6	5.8	5.3
Workers per household	1.7	1.4	1.5
Household dependency ratio	2.7	4.1	3.5
Commonwealth			
Household size (members)	5.7	6.9	6.0
Workers per household	1.8	1.7	1.8
Household dependency ratio	3.1	4.0	3.3
Cisne Dos			
Household size (members)	3.4	6.0	5.4
Workers per household	1.8	2.2	2.1
Household dependency ratio	1.9	2.7	2.6
Angyalföld			
Household size (members)	2.0	2.6	2.1
Workers per household	1.4	1.0	1.3
Household dependency ratio	1.4	2.6	1.6

Source: 1992 random sample survey.

Table 4. Households by structure and poverty group in the research communities, 1992
(percent)

Community	*Nonpoor*	*Poor*	*Share of total*
Chawama			
Nuclear	51.0	49.0	49.5
Extended	39.8	60.2	46.7
Other	50.0	50.0	3.8
Commonwealth			
Nuclear	72.7	27.3	64.0
Extended	82.1	17.9	33.5
Other	80.0	20.0	2.5
Cisne Dos			
Nuclear	25.9	74.1	60.1
Extended	11.8	88.2	35.4
Other	66.7	33.3	4.6
Angyalföld			
Nuclear	81.7	18.3	47.1
Extended	67.9	32.1	16.1
Other	89.1	10.9	36.8

Source: 1992 random sample survey.

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income from self-employment (table A4.3). In all of these communities the percentage of low-income workers was higher than in their urban area, white-collar workers were scarce, and there was a high number of informal sector workers.

Rental income was significant only in Chawama (contributing 5 percent of household income), and remittances were important only in Commonwealth (7 percent of income). Households in the three developing country communities also received relatively small in-kind income transfers from NGOs and church-based groups. State income transfers were important only in Angyalföld, where they contributed 55 percent of household income.

Households in the research communities owned few consumer durables. Those most commonly owned were recreational, such as radios and TVs. In Commonwealth only a quarter of households owned a refrigerator, and less than a fifth owned a sewing machine. In Chawama asset ownership was very limited. Radios were the only common consumer durable, and no woman who headed a household owned a sewing machine. In Cisne Dos half of all households owned a refrigerator, a third owned a sewing machine, and a quarter had a bicycle.

Poverty Trends in the Research Communities

Changes in prices, wages, and public expenditure have important implications for poor urban households during periods of economic difficulty. Changes in the prices of important purchases, especially food, affect households' ability to consume other goods and services. Changes in wages and in the volume of employment affect the incomes of employees, and changes in product prices and product demand affect the incomes of the self-employed. Changes in the level and composition of public expenditure, particularly in the social sectors, affect household spending when they lead to the introduction of or an increase in user charges for services (World Bank 1991b).

In the communities for which trend data exist, research results indicate that the poor are getting poorer. Between 1978 and 1992 real per capita income declined by 39 percent in Chawama and by 14 percent in Cisne Dos, with households worse off than a decade before.[10] Although comparable data are not available for Commonwealth and Angyalföld, national inflation data suggest that these communities also experienced economic downturns during the 1980s.

Macroeconomic data support these results.[11] So do short-term subsample perception data from all four case studies (although households' rising expectations may contaminate the results): eight out of ten households surveyed in Chawama reported that their income had declined between 1991 and 1992, and seven out of ten households surveyed in Cisne Dos, Commonwealth, and Angyalföld reported that their income had declined or remained the same during the same period.

Part II

Household Coping Strategies

Income trend data provide an important starting point for examining communities during times of economic stress. But income data paint only a partial picture. They cannot capture the diversity of the responses of the poor to changes in incomes, prices, and basic services. Individuals, households, and communities are not passive in the face of economic change.

In all four of the communities households responded to declines in real per capita income by changing expenditure patterns. Although accurate analysis of such changes requires longitudinal monitoring of spending patterns, and perception data cannot be quantitatively verified, perception data nevertheless indicate broad trends in household spending. Subsample perception data reveal that between 1991 and 1992 households in all four communities adopted a three-pronged "expenditure-minimizing" strategy: cutting total spending, changing dietary habits, and reducing purchases of nonessential goods (table 5).[12]

A third to a half of women in Chawama, Commonwealth, and Cisne Dos reported a decline in household consumption of seven staple items. In Cisne Dos households cut allowances for workers' cooked food, and reduced daily handouts for school snacks—a strategy causing a particular stigma because it is a public sign of poverty. In Chawama the share of households with a "varied" diet declined from 70 percent to 43 percent, and those with a "poor" diet increased from 10 percent to 34 percent.[13] In Commonwealth working adults reduced transport spending by walking rather than taking motorized transport. In Angyalföld women changed menus by shifting to poorer-quality food or cheaper sources of food, but they did so with great reluctance (box 3).

In Chawama, Cisne Dos, and Commonwealth spending cuts on clothing and housing repairs were greatest, but households also cut back on school books and medicine. In Angyalföld households lowered or turned off heating in the winter months.

Households strive to maintain their living standards not only by reducing expenditure but also by protecting existing income and by developing strategies around assets that generate important nonmonetary resources (table 6). The poor mobilize and transform their assets both by intensifying existing strategies and by developing new ones. These deliberate choices can cushion households against external shocks. The strategies of the poor can prevent further deterioration of their situation during periods of economic stress and enable them to benefit from new opportunities.

In adopting such strategies, however, there are both winners and losers. Although adjust-

Table 5. Household strategies for reducing spending in the research communities, 1991–92

Community	*Share of households reducing spending (percent)*	*Food substitutions*	*Changes in eating habits*	*Changes in buying habits*	*Nonfood items targeted for cuts*
Chawama	56	• Vegetables for meat	• Switching to main meals consisting only of vegetables and *nshima*		
Commonwealth	30	• Am for children (water from boiled rice) rather than milk • Generic brands rather than quality processed food	• Cutting down from 3 to 2 meals a day	• Skipping afternoon snack and purchases of cooked food (half do this) • Purchasing small quantities	• Medicine, education, transportation, clothing, gifts, recreation
Cisne Dos	45	• Water for milk in morning drinks	• Cutting down on the number of meals—first with supper, then breakfast—or eating less at midday to allow for the evening meal	• Cutting purchases of cooked and fast food • Reducing food allowance for children in school and working adults	• Medicine, books, clothing, house repairs
Angyalföld	—	• Eggs for meat • Low-quality substitutes		• Using cheaper cuts of meat • Shopping in discount food stores • Freezing and processing foods • Buying less food in bulk	• Semiautomatic washing machines, black and white TVs

ments by poor households can reduce their vulnerability and prevent increased impoverishment during economic crises, not all households are able to adjust to the same extent. There are also winners and losers within households: while the strategies of poor households can help boost incomes, they often have negative effects on family relations and can lead to inequalities within households.

The composition of individual, household, and community assets influences the effectiveness of strategies to diversify income, and a wide range of external and internal factors determine the extent to which assets are depleted under economic stress. Analysis of the experiences in the four very different research communities shows important contextually specific variations, but also a number of similarities. The following chapters highlight six key findings using the asset vulnerability matrix as a framework (see table 1).

Box 3. Expenditure-minimizing strategies: Women's voices from Angyalföld

Hungarians enjoy their food and generally economize on it only as a last resort. As Rosa, aged forty-three, comments, "In our family we have a principle that as long as we can manage, we should try to keep our standards at least with the food we eat." Holga, aged sixty-two, says that she is shocked by the sight of shoppers at the market who are unable to buy a full kilo of fruit, who have to beg the butcher to give them a small piece of fatty meat, or, even worse, who resort to stealing fruit and vegetables from the stalls.

But Anya, aged forty-two, has had to drastically modify the diet of her family of four, which lives in poverty. The biggest change is in the variety and cuts of meat that she buys. "Nowadays we eat mainly chicken, and even then often only the wings, back, and rump." She gets only the bones of pork, and she buys a lot more eggs as a substitute for meat. She often prepares soup from only vegetables and pasta, serving it for several days. Anya also economizes by buying poor-quality coffee at the market and mixing it with coffee substitute.

Table 6. Household strategies for mobilizing assets in response to changes in economic circumstances

Type of asset	*Households' response*
Labor	• *Increase the number of women working, mainly in the informal sector* Long-term trend data show a dramatic increase in women's employment, from 32 percent to 46 percent in Cisne Dos and from 9 percent to 35 percent in Chawama.[a] Short-term trend data for Commonwealth show an increase from 22 percent to 37percent (for heads of household and spouses only). • *Allocate a disproportionate share of women's time to meet increasing responsibilities* Although men and women in 1992 worked nearly the same number of hours in productive work, women have a considerable extra time burden in domestic responsibilities over and above childcare. In the four communities women worked an average of 15 hours a week on household tasks in 1992, compared with 3.5 hours for men. • *Allocate more time to obtaining services in response to the declining quality of infrastructure* Inaccessible and poor-quality services impose a time cost on the poor, particularly women, who are responsible for most household tasks. In 1992 households spent on average forty-five minutes a day fetching water in Cisne Dos, ninety minutes in Commonwealth, and forty-five minutes in Chawama. • *Increase reliance on child labor* The poorest households are most likely to rely on children's labor, with boys more likely to earn income, and girls to assist with childcare (66 percent of girls in Cisne Dos, 50 percent in Commonwealth, and 20 percent in Chawama in 1992). Half the children aged ten to fifteen in Cisne Dos and Commonwealth balanced school and household tasks, and 20 percent did in Chawama. In the three developing country communities children worked an average of thirteen to fifteen hours a week in home-based enterprises.
Housing	• *Diversify income through home-based enterprises and renting out* Home owners use housing (house and land) as income-generating assets. In 1992 in Cisne Dos and Commonwealth one in three households earned income from home-based enterprises. In Angyalföld women work as dressmakers, hairdressers, and beauticians. In Chawama almost half of home owners earn extra income from rent. • *Adopt intergenerational plot densification strategies to accommodate children's households* Long-term trend data in Cisne Dos show that households are "nesting," as children build houses on their parents' plots to reduce vulnerability.
Social and economic infrastructure	• *Substitute private for public goods and services* In 1992 nonpoor households in Cisne Dos purchased drinking water from vendors and installed water pumps to cope with low pressure. In 1992 more than 50 percent of those who were ill in Cisne Dos and Chawama opted for private health care. More affluent households in Angyalföld also chose private doctors. A third of electricity connections in Cisne Dos and a quarter in Chawama are illegal.
Household relations	• *Increase reliance on extended family support networks* Long-term trend data show an increase in extended households from 33 percent to 38 percent in Cisne Dos and from 32 percent to 46 percent in Chawama. Short-term trend data for Commonwealth show an increase from 35 percent to 38 percent. Data for 1992 show "hidden" female heads of household in 50 percent of extended households in Cisne Dos, in 25 percent of those in Commonwealth, and in 20 percent of those in Chawama. • *Increase labor migration and remittances* In Commonwealth international migration, mostly of male workers, resulted in an increase in the number of households receiving overseas remittances—from none in 1988 to 22 percent in 1992. In Cisne Dos the growth in the shrimp farming industry led to an outmigration by some male workers to rural areas.
Social capital	• *Increase reliance on informal credit arrangements* In Chawama, Commonwealth, and Cisne Dos about 50 to 75 percent of households borrowed money from friends and neighbors in 1992 to pay for their food. In Cisne Dos 42 percent had credit arrangements with private doctors, and more than half of households in Commonwealth borrowed from informal lenders for medical expenses. In Angyalföld a third of households and 57 percent of the poorest households borrowed from neighbors and relatives to meet daily needs. • *Increase informal support networks among households* Women's kin and neighbor networks share childcare and space. In Chawama and Cisne Dos some 15 to 25 percent of households with children under age ten depended on neighbors for childcare in 1992. • *Increase community-level activity* Communities achieved increased provision of urban services—such as school repairs, latrines, and preschool equipment—through local and international NGO projects that required community participation.

a. All long-term trend data refer to 1978–92, and all short-term trend data to 1988–92.

CHAPTER 3

Labor as an Asset

Finding 1: With labor the poor's greatest asset, a frequent response by poor households to declining real income is to mobilize additional labor—principally women's labor, but in the poorest households even children's labor.

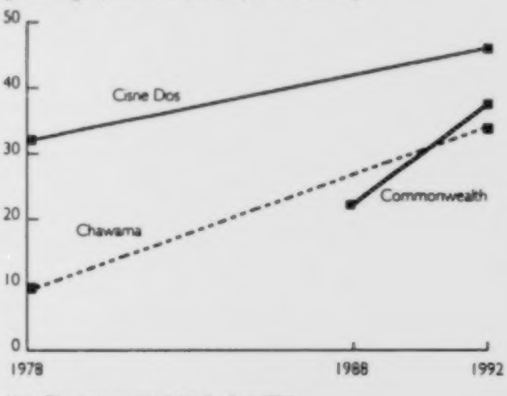
Mobilizing Women's Paid Labor

A changing labor market has been a major source of vulnerability in all the research communities. Restructuring in the formal sector and increasing competition in the informal sector have both contributed to a decline in household income. As households have become poorer, the most important response has been for women to join the labor force. This trend has been confirmed by extensive research in other contexts (see, for instance, Beneria and Feldman 1992; Tanski 1994; Gonzalez de la Rocha 1988; Chant 1994).

Despite differences in urbanization processes and in labor demand and supply, trend data from the three developing country case studies show a common picture of increasing employment for women (figure 1) and declining household dependency ratios. The most dramatic increase in employment for women between 1978 and 1992 occurred in Chawama, where it rose from 9 percent to 34 percent. But increases were also significant in Cisne Dos (from 32 percent to 46 percent in 1978–92) and in Commonwealth (from 22 percent to 37 percent in 1988–92).

Women's contribution to household incomes varies, depending on the opportunities available and on the labor supply constraints, including

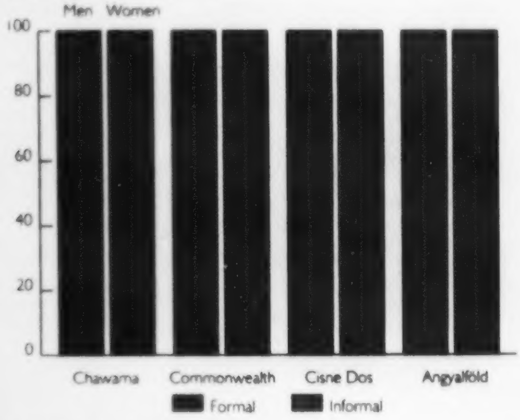
Figure 1. The most common response to declining household income is for women to go to work
(percentage of women in the workforce, 1978–92)



Note: There are no trend data for Angyalföld.
Source: For Chawama and Cisne Dos, 1978 and 1992 random sample surveys; for Commonwealth, 1998 and 1992 random sample surveys.

Figure 2. In the three developing country communities most women work in the informal sector

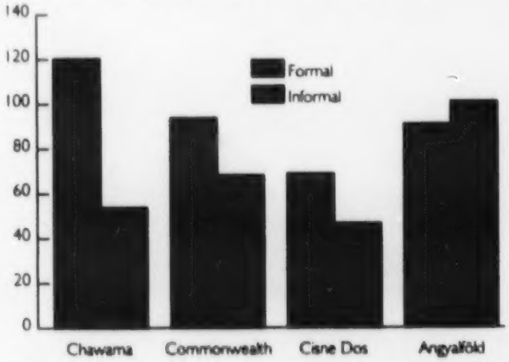
(percentage of working population, 1992)



Source: 1992 random sample survey.

Figure 3. The gender gap in earnings is greater in the informal sector

(women's earnings as a percentage of men's earnings, 1992)



Note: The value for women's earnings in Chawama's formal sector as a share of men's is not statistically significant.
Source: 1992 random sample survey.

both their education levels and their need to balance employment with other household responsibilities. The vast majority of women in the three developing country communities who joined the labor market to increase household income work in informal sector petty trade and service activities.[14] In Cisne Dos three-quarters are in trade or in domestic service as private household workers. In Commonwealth two-thirds work in activities ranging from successful grocery (*sari-sari*) stores to laundry, peddling, and scavenging. In Chawama, where four-fifths of employed women work in the informal sector, 94 percent are involved in petty trade (figure 2 and table A4.5).

Although some women have prospered in the informal sector—such as shop owners in Commonwealth—the vast majority of women going to work in the informal sector enter competitive, dead-end occupations with low pay and long hours. Data for 1992 show that in all three developing country communities there is less gender equity in earnings in the informal sector than in the formal sector. In Commonwealth, where the differences are least marked, women earn two-thirds as much as men. In Chawama women earn a little more than half as much as men, and in Cisne Dos women's mean incomes are 46 percent of men's (figure 3 and table A4.4).

Trend data and data for 1992 on occupational groups in the three developing country communities show that the few new employment opportunities that have opened up have been mostly in the formal sector—clerical, sales, and secretarial positions for younger, better-educated women. In Lusaka, for instance, a small number of professional women work in the formal sector, where they earn wages 20 percent higher than the wages of the much larger group of their male counterparts. In Commonwealth, where more than a third of working women are in formal sector employment, women's mean income is 94 percent of men's. In Cisne Dos the small number of women working in the formal sector earn two-thirds as much as men (tables A4.6, A4.7, A4.8, and A4.9).

Trends in Male Employment

Over the past decade households have increasingly come to depend on more than one income earner. Consequently, the increase in the number of women employed has not led to a decline in the number of men employed. Comparative trend data show only a slight decline in the number of men working between 1978 and 1992 in Cisne Dos, where it fell from 91 percent to 90 percent. In Chawama the decline was more marked, from 79 percent to 64 percent. Short-term trend data for

Commonwealth show a decline from 94 percent to 90 percent between 1988 and 1992.

Although male labor force participation rates have not declined appreciably, men have been affected by changes in the contractual nature of work. Formal sector real wages have fallen, secure employment in the formal sector has declined, and labor relations have become increasingly casual. While these changes have created a more flexible labor market, they may also have increased insecurity for many male workers.

A 1994 World Bank poverty assessment in Zambia found that at the national level, as in Chawama, there has been a contraction in formal sector employment. This change is particularly significant for men, who dominate this sector. In 1978 male employment typically was relatively secure and waged. Despite contraction, in 1992 the formal sector still provided employment for almost two-thirds of Chawama's working men, but real wages had declined and men in the formal sector were earning on average just half as much as they would have working in the sales-dominated informal sector.[15] In Cisne Dos casualization of the construction sector has increased the insecurity of many male workers. Between 1978 and 1988 the proportion of construction workers with permanent or long-term contracts increased from 5 percent to 27 percent. Between 1988 and 1992, however, this trend was reversed, as long-term contracts declined by half and casual daily labor increased by an equal amount (box 4).

In Angyalföld, as at the national level in Hungary, public sector employment has contracted as a result of industrial restructuring. To reduce state subsidies and achieve greater efficiency, insolvent state-owned enterprises have been dismantled and firms downsized, raising unemployment from about 1.5 percent in 1989 to 12 percent in 1992. Subsample data show that seven of ten unemployed people had been dismissed from large state-run firms. The majority were under forty-five years of age and had been engaged in either manual work or nonprofessional administrative jobs.

Mobilizing Children's Labor

The extent to which households mobilize children's labor as an additional asset is more dif-

Box 4. Contending with declining real income in Chawama and casualization of construction work in Cisne Dos

Mick, the forty-seven-year-old head of an extended family in Chawama, earns 4,500 kwacha a month in his formal sector job as a driver for a hotel. His wife, Margaret, adds 1,200 kwacha a month by selling beans from the house. Two unemployed adult daughters help with childcare. The couple's combined income is insufficient to raise the household out of poverty. They cannot always afford even such staples as bread, rice, and potatoes, and buy meat only when they can get it at a reduced price from the hotel. Although they own their house, they cannot afford essential maintenance. With four children still in school, Mick and Margaret struggle to pay for school fees, uniforms, and books. But they refuse to compromise on their children's education, preferring instead to reduce the variety of their diet and to walk rather than take the bus. The pressure sometimes pushes Mick to drink, leading to arguments about wasting money and putting strain on his relationship with Margaret.

Since arriving in Guayaquil in 1968, Juan has always worked in a construction. He started as a daily laborer, queuing outside building sites for casual work. By the mid-1970s he was working for a subcontractor on regular three-to-six-month contracts, constructing large city-center banks. The subcontractor paid Juan a regular weekly salary, including pension contributions. After the mangrove swamp in Cisne Dos was filled in 1978, Juan worked weekends as a master builder, constructing wooden and split-cane houses for new settlers and cement-and-block houses for consolidating home owners. But by the mid-1980s Juan was once again a daily laborer. Demand for his skills dropped with the end of the building boom in both the city center and Cisne Dos, and with more competition from younger men, Juan's income has dwindled. Any spare cash he has now he spends drinking. Meanwhile, his wife struggles to support the family with the inadequate income she earns doing laundry.

Box 5. Boys' strategies for balancing work and school in Cisne Dos

Jorge, aged fourteen and in his last year of primary school, attends the morning shift so that he can help his father sell cooked fish in the afternoon, when business is at its peak. His mother works from home as a laundress, and his sister earns a stipend working in a neighbor's *hogar comunitario* (home-based nursery). But even with all four members of the family working, the family's income remains well below the poverty line.

Armando and Juan, aged fifteen and thirteen, are the two older sons in a household of seven children. Their father, Santiago, a skilled construction worker, has been reduced by a decline in contract work to a casual daily laborer with an irregular income. With five young children, the boys' mother, Teresa, cannot get out to work. In 1991 the boys were forced to leave day school to help keep their younger siblings in school. Working as shoeshine boys in the city's bus terminal, they earn half the family's income. Although they registered for the night shift at the local school, they are generally too tired to go.

ficult to measure than the changes in women's and men's labor. Trend data are unavailable for the communities studied, and severe methodological constraints exist even in the 1992 surveys. Children's labor is often "hidden," either intentionally, because of the stigma associated with keeping children out of school in the urban areas, or unintentionally, when children work for household enterprises. Nonetheless, a cumulative picture constructed from the 1992 random sample survey shows a number of important characteristics of child labor.

First, the poorest households are far more likely to send children out to work—a strategy aimed at reducing vulnerability rather than one that necessarily keeps households out of poverty. In Chawama and Commonwealth all children—and in Cisne Dos two-thirds of children—identified as working come from households below the poverty line. In Cisne Dos, as elsewhere, households in which adult earners are unable to earn enough to stay economically afloat most often rely on child labor, particularly when additional income is required to meet the needs of a growing family.

Second, the boys and girls who contribute to household income do so in different ways. Boys are more likely to directly earn income. In Chawama they sell paraffin or eggs; in Commonwealth they are scavengers or petty goods sellers; in Cisne Dos they work as shoeshine boys, *ambulantes* (mobile sellers), or apprentices (box 5). By contrast, girls assist indirectly by taking on childcare responsibilities, which releases other household members—principally their mothers—to work. In Cisne Dos two in three girls are involved in childcare; in Commonwealth one in two girls looks after siblings; in Chawama, where fewer mothers work, one in five girls has childcare responsibilities (box 6).

Third, both boys and girls assist in home-based enterprises. Although the contribution of children aged ten to fifteen averages only 12 to 17 percent of total labor time in such enterprises, it is an important input. In all communities such enterprises cushion households from extreme poverty. Finally, children who work do not automatically drop out of school. In Guayaquil girls dovetail school with childcare responsibilities, and boys combine it with work. Against all odds, they try to keep studying.

Benefits and Costs of the "Added Worker Effect"

Mobilizing more household labor has important economic payoffs in terms of increased household income. But it can also have important costs. While generating increased income can reduce vulnerability in the short term, the strategies for doing so can erode family integrity and social cohesion. In the longer term this can *increase* vulnerability.

Results from the three developing country communities suggest that women, and to a far lesser extent children, work primarily to complement, rather than substitute for, male income in the household. In 1992 two-thirds of

Box 6. Girls' strategies for balancing work and school in Cisne Dos

Isabel, aged sixteen, and Maria, aged thirteen, are the only daughters among six children. When their father's income as a carpenter began declining in 1990, their mother returned to work as a domestic servant so that they could afford to pay for secondary school for their three older children, and Isabel and Maria took on all the household tasks. To handle this responsibility, they attend different school shifts—Isabel the morning shift and Maria the afternoon one. Their brother Juan, aged fifteen, helps his father in the afternoons, if he has work. Isabel and Maria complain that their homework is getting short shrift. But the family is committed to getting all the children through high school.

Marlene, Lucy, and Olga, the oldest of five daughters in the Lopez household, are responsible for all household tasks, including attending community meetings on Saturday. Their father, a fruit juice vendor, has virtually abandoned the family. Their mother, the household's only income-earner, works six days a week washing clothes in three middle-income households. After many conflicts over dividing the work, the girls started a *rota* system a year ago in which each stays home from school one week in three. Marlene says she is always behind at school, but there is no alternative if the family is to eat.

working women in Chawama and Commonwealth, and nearly half in Cisne Dos, were married. Of all women working, 10 percent were female heads of household in Commonwealth, 16 percent in Cisne Dos, and 17 percent in Chawama.

Increasing the number of workers in a household—the "added worker effect"—often starts as a short-term response to crisis, but over time it becomes an established trend. As poor urban households come to permanently depend on two or more breadwinners, few women revert to being full-time homemakers. This strategy reduces households' economic vulnerability, but it does not necessarily ensure that they avoid poverty. Data from 1992 show that the poorer the household, the more dependent it is on women's earnings and the greater the number of women working. In both Chawama and Cisne Dos women in poor households contribute more than half of earnings, while those in nonpoor households who work contribute only about a third. In Commonwealth women contribute just under half of household income, and their contribution is nearly the same regardless of the household's poverty status.

Evidence from the case studies highlights several unexpected costs of household strategies to mobilize labor. Although this evidence is largely anecdotal and measuring such costs is beyond the scope of the study, the following examples raise issues for further consideration.

When new opportunities to earn additional income require some household members to migrate, the resultant split household can increase the vulnerability of household members. In Commonwealth, for instance, some households benefit from remittances sent by members employed abroad as contract workers. These workers are mainly men, working in the Middle East and Europe as welders, mechanics, and drivers, or as international seamen, and their absence results in the formation of de facto women-headed households in Commonwealth. The workers also include women, working as domestic servants and nurses, who leave children behind with foster parents or occasionally with de facto single male heads of household. In 1992 overseas remittances provided 38 percent of income for households receiving them. Nine out of ten overseas contract workers came from nonpoor households, indicating that migration is a successful strategy for reducing poverty.[16]

Overseas remittances have ensured that de facto female-headed households have the highest per capita income in Commonwealth. But these households are not exempt from vulnerability. Their success may prompt other family members to seek assistance from them, thereby increasing the dependency ratio. A more serious problem is the longer-term consequences for family cohesion of split households. Migrants sometimes establish other households abroad, and when they do so, they may cease to send remittances. The longer-term effects on children brought up without parental guidance, particularly from fathers, are still largely unknown. But women in Commonwealth voice increasing concern about the erosion of family values and of the reciprocity networks that have long been an important part of the Philippine society's complex system of family obligations and claims.

A very different example comes from Cisne Dos, where new opportunities in the agro-export shrimp industry have resulted in the migration of male and female workers to rural areas outside Guayaquil while their families remain in their urban homes. With only 6 percent of Cisne Dos's workers in this sector, the migration has not had a major impact in the community, although for some families problems of split households—marital conflict, the breakdown of family cohesion, and ensuing financial problems—have increased vulnerability (box 7).

A second issue concerns the long-term implications of child labor. Recognizing the importance of investing in education, households in all four communities strive to keep children in school. But poor households are often forced to mobilize their children's labor to survive under current economic conditions. This may have important long-term consequences. Will children who receive less education today become the next generation of the poor?

A third issue is the effect on households of women going to work in increasing numbers. The implications for their ability to devote adequate time to such responsibilities as childcare and nutrition, for their health, and for conflict within the household are further discussed below.

Box 7. Coping with split households in Commonwealth and Cisne Dos

Rosa and Raul moved to Commonwealth, in Metro Manila, in the early 1980s. Three years after they married Raul went abroad as a seaman. Based in Singapore, he returned home every nine months. By 1987, when Rosa had six children and was also supporting a niece and a nephew, Raul's remittances had become less frequent. When Rosa confronted him about other relationships during his home leave in 1989, Raul admitted that he was supporting another woman and two children in Singapore and that this was his last trip home. Rosa had invested her savings in a house and sewing machine, but she had relied on his remittances. By 1992 she was very poor. Although she earned a little from dressmaking, she was surviving only because of contributions from her niece, who worked in a garment factory, and her son, who worked as a mechanic.

Another Commonwealth household, headed by Victor and Armi, lived off Victor's earnings as a carpenter between 1982 and 1985. When Victor became a construction worker in Mindanao, the family lived relatively well on his remittances, but his contract expired after a year. Armi started a fruit and vegetable stall at the market, but the couple's income was barely enough to feed their five children. In 1988 Armi got a domestic service job in Rome through a cousin. With a loan for her placement fee, Armi left for Italy, leaving Victor in charge of the children. Two years later, however, Victor died of a heart attack. Armi arranged for her niece, Rosalie, and her niece's new husband, Felipe, to leave their home village to become the children's foster parents. In 1992 Felipe was working as an electrician, but the household depended almost entirely on Armi's remittances from Italy.

In Cisne Dos, in Guayaquil, Araceli, the mother of five teenage children, was delighted when her husband, Juan, landed a job in 1989 as a laborer in the rapidly expanding export shrimp industry on Ecuador's coastline. As a construction worker, Juan had been in and out of temporary jobs, and her earnings from laundry work had been their only reliable income. Araceli and her children never considered moving with him—access to jobs, education, health care, and housing kept them in Cisne Dos. But by 1992 Araceli was mortified to discover that her husband had established a second household. To make up for the loss of his earnings, her older daughter had to leave school and get a factory job.

CHAPTER 4

Economic and Social Infrastructure as an Asset

Finding 2: Where the improvements in social and economic infrastructure of the 1970s have not been maintained through the 1980s and into the 1990s, there have been implications for the ability of poor households—less able to substitute private for public services—to earn incomes.

The provision of infrastructure is critical for the urban poor. While social services such as education ensure that people can gain skills and knowledge, economic infrastructure such as water, transport, and electricity—along with health care—ensure that they can use their skills and knowledge productively (World Bank 1994c).

Communities gaining access to infrastructure in the late 1970s were able to reduce their vulnerability through strategic use of the services provided (box 8). But when resources for maintaining this infrastructure later declined, the study's results show that households faced access and quality problems. Where obtaining services has become more time-consuming, such as collecting water, people have less time for income-generating activities (box 9). Where services have become prohibitively expensive, such as health care, or declined in quality, such as sanitation, household health can deteriorate.

Households' income-earning capacity affects their ability to pay the costs of public services or to substitute private for public services. This means that some households are more vulnerable than others when public service provision declines, and it raises longer-term questions about economic productivity.

Improving Access to Infrastructure in the 1970s and 1980s

The study's findings show that all communities, but particularly those with secure land tenure, experienced steady improvement in both the accessibility and the quality of social and economic infrastructure in the late 1970s and early 1980s. In each community a critical factor in the effectiveness of the delivery of services has been the nature of continuing negotiations around their provision, determined by the development of the community's social capital (see chapter 8). In Cisne Dos services

Box 8. Opportunities opened up by access to electricity in Cisne Dos

Paulo and Ana moved to Cisne Dos before any infrastructure was in place. At the time the only home-based enterprises requiring electricity were five tailors' shops, all of which could afford to invest in electricity cable to hook up to lines outside the community. But when the community successfully organized to get electricity in the late 1970s, opportunities for many more enterprises opened up. Along with many other women, Ana started a home-based enterprise, selling cold drinks from an electric refrigerator she had gotten on a lease-purchase basis. By 1992, 35 percent of household enterprises in Cisne Dos, most managed by women, were selling items requiring refrigeration. These enterprises are often vital to a family's ability to weather change in its economic situation. Though small, Ana's enterprise cushioned the family from immediate crisis after Paulo was laid off from the job he had held for many years as a driver for a private company in Guayaquil.

were obtained through "bottom-up" community mobilization and collective bargaining, while in Chawama infrastructure was secured through "top-down" interventions. The unresolved legal status of Commonwealth hindered infrastructural upgrading, although the private sector and NGOs picked up some of the shortfall in service provision. In Angyalföld service provision reflects the historical legacy of state-provided infrastructure.

- In Chawama basic physical infrastructure—a standpipe for every twenty-five plots and electricity for street lighting—was provided through a World Bank–financed upgrading project in the 1970s. By 1992 less than 20 percent of the community was connected to electricity mains, and only 14 percent of households had private water connections. Chawama has never been connected to the main sewerage system. Between 1978 and 1992 a public health center was constructed, and three state and four private schools were built.
- Commonwealth has been a consolidated community since the 1960s, but its physical infrastructure has remained poor and insecure. In 1992, 92 percent of households still relied on artesian wells, and the community has only a rudimentary sewerage system and poor and irregular garbage collection. But electricity, first provided in 1986, had reached 92 percent of households by 1992.
- Between 1978 and 1992 in Cisne Dos the mangrove swamp was filled in, houses were built, roads were constructed and paved, and street lighting was introduced. During this period two-thirds of households gained access to piped water, and more than 90 percent access to electricity. Schools and health facilities increased dramatically, and there was a significant private sector presence in the education and health sector by 1992.
- In Angyalföld infrastructure introduced a century ago in response to rapid population growth still provides the community with almost universal (and homogenous) services. Access to health and education improved considerably during the postwar socialist period.

Increasing Human Capital

The benefits of government investment in education during the late 1970s and early 1980s can be clearly seen. Consistent with national trends, the working population in both

Box 9. Constraints of poor access to water in Chawama

Recently widowed and at age forty-three the head of an extended household in Chawama, Miriam turned to brewing illegal beer in her home to earn a living for her family. Brewing beer requires substantial amounts of water, which Miriam, like her neighbors who also lack piped water, must obtain by walking to the nearest working standpipe and queuing for at least an hour. But because she must wait for customers in her yard, she often asks her fourteen-year-old daughter to fetch water and to help with other household tasks. Miriam does so reluctantly, however, for it means that her daughter regularly misses school.

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Chawama and Cisne Dos is better educated than a decade ago. In Chawama the share of household heads without any education declined from 18 percent to 12 percent, and the number of household heads who had failed to complete primary education fell by almost half. In Cisne Dos the number of household heads and spouses without any education declined from 9 percent to 3.5 percent, those with only a primary education decreased from 77 percent to 58 percent, and those with a secondary education increased by a comparable amount (tables A4.12 and A4.13).

Trend data also show differences between the two communities in the relative achievement of men and women. The education gap between men and women narrowed in Cisne Dos, but not in Chawama. Between 1978 and 1992 in Chawama the proportion of male household heads who had failed to complete primary school decreased at a faster rate than it did for female household heads. In 1992 a quarter of adult men had failed to complete primary education, compared with a third of adult women. By contrast, in Cisne Dos in 1992 male and female workers had similar education levels, and 50 percent had gone beyond the primary level (tables A4.14 and A4.15).

Differences in the gender gap also show up in 1992 data for Commonwealth and Angyalföld. In Commonwealth, where more than half the adult population had completed secondary or tertiary schooling, there was little disparity, with men's attainment at the secondary and tertiary levels only slightly higher than women's. In Angyalföld, however, there was wide gender disparity: 42 percent of adult women had failed to progress beyond the primary level, compared with only 17 percent of adult men (tables A4.16 and A4.17).

The 1992 data reveal strong links between the education level of the head of household and the household's poverty level (table A4.18). In all four research communities the lower the education level of the household head, the greater the likelihood that the household lives below the poverty line. This association indicates the long-term returns from investing in education.

- In Chawama the heads of nonpoor households had an average of nine years of schooling, compared with eight years for the heads of poor households. This disparity was more pronounced for women: those heading nonpoor households averaged 9.4 years, compared with 6.9 years for poor household heads.
- In Commonwealth 46 percent of household heads who had completed primary school were in poor households, while those who had completed secondary school or had attended tertiary institutions were concentrated among the nonpoor.
- In Cisne Dos nine out of ten heads of household with incomplete primary education came from poor households, while all heads of household without any education had incomes below the poverty line. Female heads of household were more likely to have an incomplete primary education, while male heads of household tended to have some secondary education.
- In Angyalföld poor adults had an average of 7.6 years of education, compared with 9.1 years for nonpoor adults and 11.8 years for relatively affluent adults.

Declining Economic Infrastructure and the Ability to Pay

Cutbacks in public expenditure, particularly in the social sector, often accompany economic crisis. In the three developing country communities both the access to, and the quality of, infrastructure have declined. These changes can have important costs. A decline in the quality and accessibility of health care, for instance, can impose time and health costs, and a deterioration in water quality can create environmental health dangers. Declining accessibility of water and energy imposes particular constraints on women, who are mainly responsible for cooking, laundry, and most other household tasks.

The urban poor have always paid for economic infrastructure, and the 1992 survey results show that the situation is no different in the four communities (table A4.19). Furthermore, the poorer the household, the larger the share of its income it pays for such services as a percentage of household income. For all households, however, spending on services is considerable, and where they have been unable to cut back on such spending as incomes have fallen, they have had to forgo purchases of some food items.

As public investment in infrastructure has declined, the accessibility and quality of services have increasingly become a function of people's ability to pay for services. Perceived differences in quality have led to a preference for private services. But nonpoor households are consistently better able than poor households to ameliorate problems of accessibility and quality by substituting private for public services.

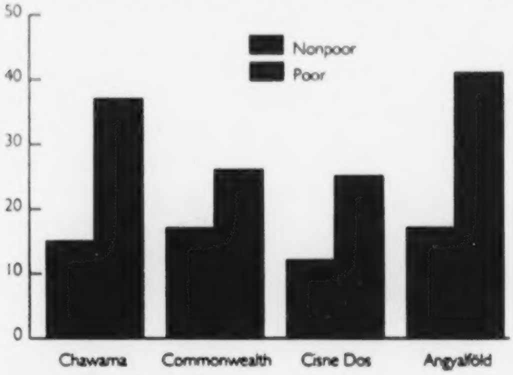
Household expenditure on infrastructure services is similar across the four research communities. On average, households spend 20 to 30 percent of their income on such infrastructure services as water, lighting, transport, education, and energy for cooking. But poor households pay at least twice as much of their income for these services as nonpoor households do (figure 4).

Although average expenditure shares for infrastructure are comparable across the four communities, there are important differences in the distribution of the expenditures. Among the poor in Chawama the heaviest burden is energy for cooking. In Commonwealth it is transport. In Cisne Dos it is education. In Angyalföld it is energy for cooking, lighting, and heating.

Dissatisfaction with the access to and quality of water was universal in the case studies. In Cisne Dos the declining quality of piped water between 1988 and 1992 prompted nonpoor households to substitute private for public sources, purchasing drinking water from vendors and installing water pumps to cope with low pressure (figure 5). The water supply to Commonwealth was cut after 1984, and by 1992 the vast majority of households relied on artesian wells. In Chawama in 1992 women made at least two one-hour trips a day to fetch water (table A4.20).

Figure 4. Poor households consistently pay more of their income for services

(expenditure on services as a percentage of household income, 1992)

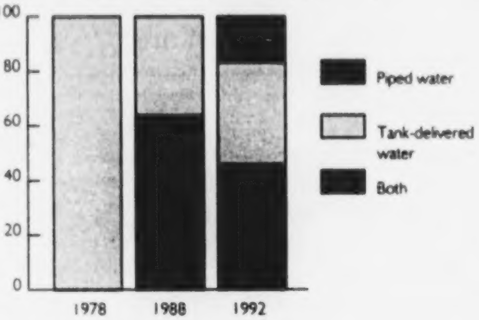


Note: Excludes health expenditures.

Source: 1992 random sample survey.

Figure 5. Growing dissatisfaction with the quality of piped water has led Cisne Dos residents to revert to buying tank-delivered water

(percentage of households with access to piped water)



Source: 1978, 1988, and 1992 sample surveys.

The effects of the deterioration of the water supply on environmental health in the communities have been exacerbated by poor and irregular garbage disposal and even more so by a continuing lack of basic sewerage in the three developing country communities (table A4.21). A widespread incidence of sanitation-related diseases has included periodic outbreaks of cholera in Chawama and Cisne Dos. In Chawama a third of all children and 40 percent of adults reported suffering an infectious or parasitic disease in the three years before the survey.

Access to electricity has been a mixed story across the study communities. Where electrification occurred during upgrading, access has declined as a result of increasing costs. In Cisne Dos there has been a resurgence of electricity pirating, and by 1992 more than a third of electricity connections were illegal. In Commonwealth in 1992 a quarter of connected households were pirat-

Box 10. Rising aspirations in Cisne Dos

In 1978 Marco was a well-established tailor in Cisne Dos, earning enough to support his wife, Janet, and their two young children. But by 1980 he had recognized that tailoring was starting to bring in less and less income from more and more hours of work, so he diversified into artisan dentistry. "To be honest," he said, "I can make enough for food by making trousers . . . but one wasn't born to do just one job." Finding clients in rural areas where trained dentists did not go, particularly in Manavi, where Janet's relatives provided an entry point, Marco was earning a steady income from tooth extractions and making false teeth.

But Marco was uncomfortable about his lack of formal qualification. As he said at the time, "I am illegal. I do it because I want to do it well. That's why I have clients. But no law covers me." So Marco entered night school in 1980, earning his diploma in dental mechanics in 1984. Not content with this, in 1987 he entered the University of Guayaquil to study for a dental degree. Since there was no night school program, he changed jobs, becoming a community promoter in the local preschool program. But his stipend was low, and he also faced increased competition from young, qualified dentists vying for business in Cisne Dos. Despite Janet's income from running a *hogar comunitario* (home-based childcare center), Marco was forced to drop out after two years to take a full-time job as a ticket collector at the city's bus terminal. Although he earned enough to pay his children's escalating high school expenses, the family was well below the poverty line.

Forced to abandon his own aspirations, Marco has transferred them to his son, Julian. In 1992 Julian completed high school and, as his father before him, enrolled at the University of Guayaquil. Although there is no tuition fee, the costs of equipment are astronomical, and a quarter of the family's income now goes to educational expenses. Finding it harder and harder to pay bills, the family is reluctantly coming to terms with the fact that Julian, like his father, may find it very difficult to qualify.

ing electricity. In Chawama electrification still had not occurred. In Angyalföld, where the government had begun shifting a greater share of the costs of public services to households in the 1980s, increases in energy costs were the most crippling. Street lighting was introduced in some communities, but it was later cut in Commonwealth and allowed to deteriorate in Cisne Dos, increasing problems of personal safety, particularly for women.

Shifting to Private Health and Education Services

As with economic infrastructure, by 1992 a perceived decline in the quality of social infrastructure—education and health care—had encouraged a shift from public to private services in the survey communities, though predominantly among nonpoor households. In health care this shift has been particularly dramatic in Chawama and Cisne Dos, where 50 percent of patients opt for private services. Private health practices in Cisne Dos attract patients by offering diverse services, credit, short waiting times, flexible hours, and adequate resources. In Commonwealth poor residents are increasingly reliant on public health facilities, which offer inferior services, while the nonpoor use private services. In Angyalföld a small proportion of affluent households are able to opt for private health practitioners.

In the three developing country communities the poor quality of public education has prompted households—mostly nonpoor ones—to use private schools, although in Chawama private education is little better. A third of schoolgoers in Commonwealth attend private institutions. Education in Hungary, although technically free, is inadequately financed by the state, but because private education is virtually nonexistent, households cannot substitute private for public education in Angyalföld.

Data for Cisne Dos show a population highly committed to education in 1992. Although most children do not attend preschool, more than 90 percent of school-age children were enrolled in school in 1992—94 percent of girls and 88 percent of boys. Considerable resources are allocated to education by a population that still clearly sees it as the panacea for the next generation (table A4.24).

In a context in which increasing educational attainment meets with limited opportunities, rising aspirations are an important issue. Sons expect—and are expected—to do better than their fathers (box 10). When such expectations are not met, and they instead face unemployment and low productivity, policymakers may need to contend with disaffection, despair, and violence.

Long-Term Implications of Declining Infrastructure

Poor households are particularly vulnerable to service deficiencies and cuts in public expenditure, and they pay more of their income for lower-quality services. Data from the case studies suggest that poor households' difficulties in obtaining services affect their income-earning capacity by increasing the claims on their time, monetary resources, and human capital. Women, whose labor is critical to reducing households' vulnerability during economic crisis, are most severely affected by poor access and quality. The possible long-term effects of decline in the provision of economic and social infrastructure on earning capacity and on human capital levels are important concerns. When declining provision means that children are not attending school because their parents cannot afford fees, or that households are depending on child labor to maintain current consumption rather than building the human capital of the next generation, it will affect households' income-earning capacity not only in the present but also long into the future.

CHAPTER 5

Housing as an Asset

Finding 3: Housing is an important productive asset that can cushion households against severe poverty, and land market regulation can either create opportunities to diversify its use or foreclose them.

Housing insecurity increases the vulnerability of the poor, just as do a lack of employment opportunities and limited endowments of human capital and other assets. While rural-focused research has long considered the importance of land as a productive asset for the rural poor (Bardhan 1996), the importance of housing (the house and its plot) as a productive asset for the urban poor has received far less attention. Yet the study shows that the urban poor use their housing with particular resourcefulness when other sources of income are reduced. Home owners often use their housing as a base for enterprises, or rent part or all of their house to raise income. They sell part of their plot or, as a last resort, all of their property. They save "imputed rent" that would otherwise be added to household expenditure. Finally, they use their housing as a tool for extending relationships and generating social capital.

Vulnerability and the Land Market

Data from the four case studies show that the relationship between the security of tenure—whether de jure status or merely de facto security—and the use of housing to reduce household vulnerability is contingent upon the operation of the land market. Where the regulatory environment is flexible, housing owners can sell part of their property or accommodate their children's newly formed families (table A4.26). This finding supports the World Bank's view that priority should be given to establishing appropriate institutional and legal frameworks for effective housing policy (World Bank 1993a).

In Cisne Dos, where the land market is unregulated, families have used an intergenerational "nesting" or densification strategy—building separate homes on their plot on an informal basis—to reduce the vulnerability of newly formed young families or of elderly parents. The proportion of nesting households increased from virtually none in 1978 to 19 percent in 1992, by which time one in three young households (those whose head was aged forty-five or younger) were nesters (box 11). There was a corresponding decline in the proportion of plot owners (from 88 percent to 75 percent of households) and a decrease in average plot size

Box 11. The intergenerational housing strategy of the Gonzalez family in Cisne Dos

Carlos and Brigita Gonzalez moved to Cisne Dos in 1978. There they raised six children and gradually improved their 10 by 30 meter plot, turning swamp into land, and upgraded their bamboo house. By 1992 the Gonzalez family had grown from a nuclear family of eight to several households—two extended and one nuclear—containing nineteen people, all on the original plot. Economic factors played a big part in the Gonzalez family's choice of a nesting strategy, but so did the reciprocity, in employment, childcare, and cooking, that is so common in families of Cisne Dos.

In 1980 the oldest son, Emilio, bought his own plot nearby, and in 1984 Anna married and moved into her mother-in-law's rented home. But after the death of her mother-in-law in 1985, Anna and her husband, unable to afford the rent, moved back along with their two children and gradually built a two-story home at the back of the family plot.

In 1984 a second son, Victor, brought his new wife, Nelly, to live in his parents' home. Eventually, Nelly brought two children from a previous relationship into the household so that they could study in the city. Next to join the household was Santiago, who married the Gonzalez' daughter Sylvia in 1986. He went into business with Victor selling crabs. Sylvia continued working as a salesclerk after the birth of her first child—the household needed money and Brigita was willing to look after her grandchild.

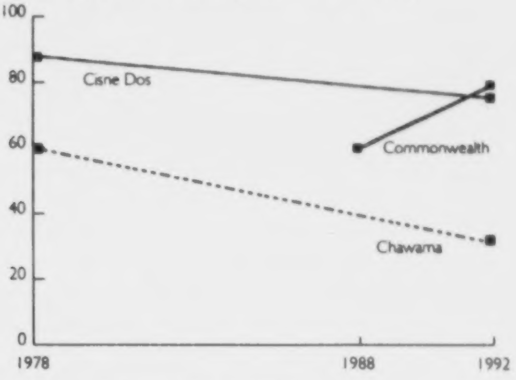
In 1989 Victor and Nelly constructed separate living quarters upstairs, to lessen the conflicts between Nelly and her mother-in-law. By 1992 this household had expanded to eight, as Nelly and Victor had two children of their own and two of Nelly's sisters moved in to take advantage of the city's work and education opportunities.

Brigita, widowed in 1991, still lives in the downstairs living quarters of the original house, along with two unmarried children, her son-in-law Santiago, two grandchildren, and her daughter Sylvia, who says, "We will not move. Mother must not be left on her own." From a nuclear household of eight members in 1978, the same plot in 1992 contains a total of nineteen people—two extended and one nuclear household.

(by 12 percent), and the tiny rental market remained undeveloped. This strategy did not necessarily mean that nesting households were nonpoor, but it did reduce their vulnerability. (It is important to note, however, that where more people depend on the same facilities—for example, sharing latrines—densification can cause environmental or other problems).

Figure 6. Home ownership has declined in Chawama and Cisne Dos

(percentage of households owning their homes, 1978–92)



Note: There are no trend data for Angyalföld.
Source: For Chawama and Cisne Dos, 1978 and 1992 random sample surveys; for Commonwealth, 1988 and 1992 random sample surveys.

By contrast, in Chawama trend data show that the regulated Zambian land market prevented such densification strategies. Instead, it encouraged the growth of an illegal and high-cost rental sector. Renters increased from 40 percent to 60 percent of households between 1978 and 1992, with the proportion of home owners declining correspondingly (figure 6). New tenants had sufficient disposable income to rent, but they had less security than their home-owning counterparts. Young residents who could not afford to rent were forced to rely on the support of home-owning relatives. This often increased households' dependency ratios and decreased their per capita incomes. As a result, home ownership in Chawama has become a mixed blessing.

Security of Tenure and Investment in Housing

Trend data suggest a relationship between de jure or de facto security of tenure and the upgrading of housing. Where land titles were granted, continuing investment in upgrading and expansion and declining turnover among

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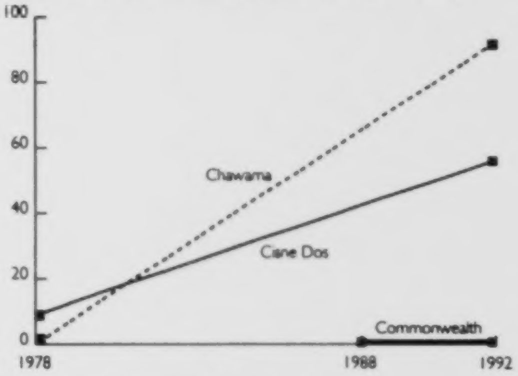
residents demonstrate the security that households felt. By contrast, where the legal status of a community was in question, the insecurity of households was reflected in a reluctance to invest in upgrading and a relatively transient population.

- Chawama developed as a typical squatter settlement out of the unmet needs of a rapidly expanding poor urban population in the 1970s. From 1974 to 1978 squatters were leased plots to build houses or given permits to remain where they were, while home owners were given a thirty-year occupancy permit. There followed a clear trend of upgrading and consolidation in the community, with the proportion of units made of permanent materials increasing from 59 percent to 90 percent between 1978 and 1992.
- Commonwealth is a well-consolidated urban settlement. Yet despite receiving official *barangay* (local government) status in 1975, it has never secured land title. Only after land reform legislation was incorporated in the 1986 constitution did residents invest in upgrading their homes. Between 1988 and 1992 the share of units made of permanent materials increased from 65 percent to 94 percent. But despite these improvements, many home owners continue to feel insecure.

Figure 7. Secure tenure brings increasing investment in housing and communities

(percentage of households with legal titles to housing, 1978–92)



Note: There are no trend data for Angyalföld.

Source: For Chawama and Cisne Dos, 1978 and 1992 random sample surveys; for Commonwealth, 1988 and 1992 random sample surveys.

- Cisne Dos was settled primarily through incremental squatting and de facto ownership. Legal titles were not available until 1974, but more than half of surveyed households had them by 1992 (figure 7). Units made of permanent materials, nonexistent in 1978, accounted for most of the housing stock in 1992. The average size of houses increased from 38 square meters in 1978 to 67 square meters in 1992, and housing density decreased from 3.6 to 3 people per room. The average number of years that families have lived in the community has steadily increased since 1978.
- Angyalföld has been formally recognized since it was established in the second half of the 1800s to house workers in the rapidly expanding industrial sector. Most of the residents are tenants in subsidized public sector housing (box 12). The security of their tenure is reflected in the low residential turnover rate: households have lived in the same unit for an average of twenty-one years. As tenants, the residents have had little incentive to invest in improvements, a tendency reinforced by the poor intrinsic quality of the housing stock and its limited potential market value under privatization. In 1992, 60 percent of units were reportedly in need of repair as a result of neglect by the local government or by households.

Box 12. Housing strategies in the context of a transforming public sector in Angyalföld

Until a short time ago Julia, a forty-three-year-old divorced mother of one, lived in a run-down apartment she rented from the local government. She had been earning a steady though modest income as a typist at a state publishing company, but three years ago she lost her job when the company was privatized and down-scaled. Desperate to move, yet unable to afford even the most basic maintenance to her own flat, let alone a mortgage in the private housing sector, Julia decided to move in with her mother, who also lives in a subsidized rental apartment. The household exists on the combined pensions of the two women. Julia is terrified of what will happen to her and her child if her mother should die, leaving them to survive on Julia's pension alone.

Reducing Vulnerability through Home-Based Enterprises

Data from the surveys suggest that housing, particularly if owned, provides opportunities for home-based enterprises that increase household income. These opportunities are especially important for home-bound women, allowing them to contribute to household earnings.

The success of home-based enterprises, however, depends on access to assets that complement home ownership: physical infrastructure, such as a reliable and affordable supply of electricity and water; human capital (skills); cash or credit for initial and recurrent investments; and a market for goods produced. Differences in the poverty reduction achieved through home-based enterprises reflect initial disparities in access to such assets. In Chawama households have been able to cushion themselves against extreme poverty, while in Commonwealth households have been able to raise their income levels considerably. In Angyalföld housing is rarely used for home-based enterprises.

- In Chawama a quarter of households—8 percent of them in extreme poverty—operated some type of home-based enterprise in 1992.
- In Commonwealth a third of households were involved in home-based enterprises in 1992. These households obtained half their income from their enterprises and had per capita incomes 22 percent higher than those of households not involved in home-based activity.
- In Cisne Dos nearly a third of households—84 percent of which owned their homes—were involved in home-based enterprises in 1992. Home-based enterprises did not account for any significant differences in per capita income, but did help offset extreme poverty: 38 percent of households operating home-based enterprises were very poor, compared with 44 percent of households not operating an enterprise at home.

Strategies centered on housing as an asset can help households move out of poverty or can prevent them from slipping beyond the point at which they can still respond to new opportunities. The research showed, however, that a dwelling or a plot alone usually is not enough to reduce vulnerability. Generally, only where tenure was secure did households have the incentive to invest in the upgrading and productive use of their housing and in the consolidation of their communities. These findings support World Bank policy recommendations that emphasize legalizing existing dwellings as a basis for creating a stable environment in which both investments to assist the poor and investments by the poor themselves can reduce vulnerability (World Bank 1993a).

CHAPTER 6

Household Relations as an Asset

Finding 4: Changes in household structure to strengthen family support networks are both a result of vulnerability and a strategy to reduce vulnerability.

Although labor is the greatest asset of the poor, their ability to mobilize this asset and to transform it into income and other basic necessities often depends on the structure and composition of the household in which they live. Poor workers are not simply individual "atomistic decisionmakers." They are also members of social groups and located within the social institutions of families and households. Thus their ability to respond to changes in the external environment is often determined by internal household factors—factors that affect household relations and collaboration among household members. Rarely considered an asset, household relations often influence a household's capacity to adjust to changes in the external environment (Evans 1989; Sen 1990).

Households are sources of collective security and internal redistribution, acting as safety nets in conditions of poverty. But for individual members they can also be sources of inequality. The structure of opportunities and constraints that households provide presents its own contradictions, and can have both benefits and drawbacks for individual members. This chapter focuses on the advantages that households offer as safety nets during crises; the next examines the consequences of household dynamics for inequalities within households.

Internal and External Forces in Household Restructuring

Households are not static entities. They restructure as they go through their own "developmental cycle," undergoing changes in headship, composition, structure, and dependency ratios as a result of normal life-cycle events. Households may also go through complex cyclical breakups and transformations in response to external changes. This restructuring process means different things at different points in time. In the short term households act as "shock absorbers," reducing the vulnerability of individuals who join them. In the longer term restructuring can increase or decrease a household's vulnerability, depending on such factors as the financial and labor contributions made by new members.

Households routinely restructure to support more vulnerable members. The critical

Household definitions

Household: A group of people who normally live and eat together in the same dwelling and consider themselves a unit in making plans and decisions about daily life

Head of household: The main breadwinner or key decision-maker in a household, or the person defined as such by the household's members

Nuclear household: A couple living with their own children

Extended household: A single adult or couple living with their own children and other related adults or children

Female-headed household: A single-parent, nuclear, or extended household headed by a woman

issue is whether this strategy, taken too far, can cause households to fall into poverty during crisis. Why do some households bounce back after crises, while others, their assets depleted, fall into poverty?

Household vulnerability analysis based on subsample data that tracked changes in household structure over a ten-year period show that both internal and external factors cause households to restructure (see appendix 2 for details on the methodology). Internal factors—birth, death, marriage, marital conflict, and needs for childcare and for care of the elderly—have implications for households' ability to mobilize labor as an asset and for their dependency burden. External factors in restructuring include problems in access to adequate housing; employment; lack of income; problems in access to adequate education and health care; and lack of security.

Although data from the four communities show that external and internal factors are interrelated in a complex way, external factors can nevertheless be identified as the cause of a third to a half of household changes over a ten-year period—clear evidence that it is not only life-cycle events that are responsible for restructuring. Within this general picture, however, there are important differences among the communities (table A4.27). In Chawama two-thirds of changes were the consequence of internal factors, most important among them death and childcare needs. In direct contrast, in Commonwealth two-thirds were the consequence of external factors, primarily high labor mobility and housing problems. In Cisne Dos internal and external factors were about equally important. In Angyalföld four-fifths of household restructuring was the consequence of internal factors.

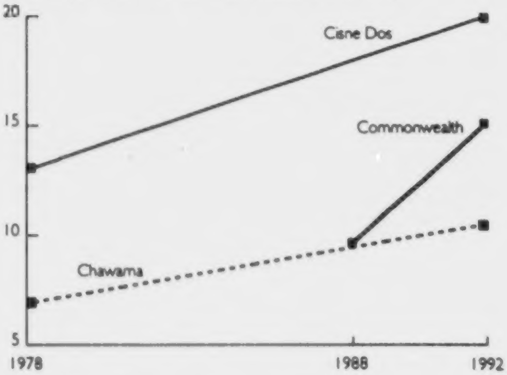
In all communities problems of access to housing (including overcrowding and limited privacy, particularly problematic in Chawama and Angyalföld) and changes in employment were the most important external causes. The predominant internal reasons were death and childcare needs. In Cisne Dos and Angyalföld the most important reason for restructuring was marital conflict. External factors can become the "last straw," exacerbating internal pressures to such a degree that household asset bases become permanently depleted.

Different Communities, Similar Trends in Household Restructuring

Despite the differences among the four communities, household restructuring has followed similar trends in all of them. Data from the communities show that, consistent with the global trend, an increasing number of households are headed by women (figure 8). In Angyalföld data for 1992 show 38 percent of households headed by women, though the result is biased by the unusually large number

Figure 8. A growing number of households are headed by women

(percentage of households headed by women, 1978–92)



Note: There are no trend data for Angyalföld.

Source: For Chawama and Cisne Dos, 1978 and 1992 random sample surveys; for Commonwealth, 1988 and 1992 random sample surveys.

of retired persons in the sample survey (table A4.28).

What is the relationship between the sex of a household head and poverty? Results from all four communities contradict a common stereotype by showing that the sex of a household head on its own does not determine household poverty levels. Households headed by women are not necessarily poorer than households headed by men (Glewwe and Hall 1995). Indeed, often only women with independent resources can afford to head a household. The poorest households in each community are most often extended households, headed by a man or a woman. These households typically consist of a couple, their children, and other related adults and children, a structure leading to high dependency ratios and low per capita incomes. The one exception to this pattern is Chawama, where the incidence of poverty is greater among households headed by women than among those headed by men (table 7).

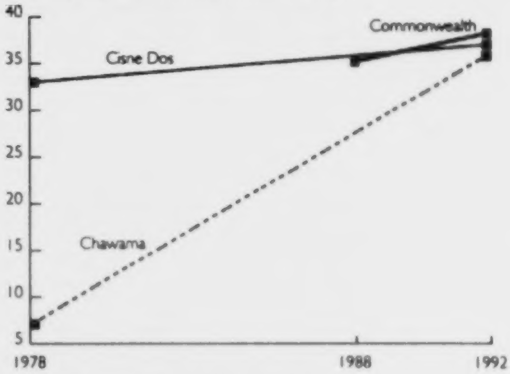
A second trend identified by the study concerns extended households. Although increased urbanization is often associated with a decline in the number of such households, long-term trend data show that in fact extended households have been increasing, and nuclear households decreasing (figure 9). In 1992 more than a third of households in the three developing country communities were extended households. Associated with this trend has been a slight increase in household size. Long-term trend data from Chawama show an increase in the mean number of people per household from 5.5 to 6, resulting from family members joining the household rather than increased fertility. Short-term trend data from Commonwealth show an increase from 4.3 to 5.3 people per household. Cisne Dos registered a slight decline.

Table 7. Incidence of poverty among male- and female-headed households in the research communities, 1992
(percent)

Community	*Male-headed*	*Female-headed*
Chawama	52.7	68.2
Commonwealth	24.1	23.3
Cisne Dos	77.6	75.5
Angyalföld	18.5	16.7

Source: 1992 random sample survey.

Figure 9. The number of extended households has been steadily increasing
(percentage of extended households, 1978–92)



Note: There are no trend data for Angyalföld.
Source: For Chawama and Cisne Dos, 1978 and 1992 random sample surveys; for Commonwealth, 1988 and 1992 random sample surveys.

Diverse Restructuring Strategies to Reduce Vulnerability

Households often restructure from a small nuclear household to a larger extended one—with lower per capita income and a higher dependency ratio—when they provide a refuge or safety net for particularly vulnerable individuals. In other cases they restructure as a strategy to more effectively pool such resources as food, space, income, and childcare. What strategy a household uses depends on prevailing traditions concerning social institutions as well as on political and economic factors.

A particularly important reason for households to restructure is to integrate "hidden" female heads—young single mothers, unwed or separated from their partners.[17] This largely unrecognized phenomenon is common in the three developing country communities. Data for 1992 show that half of the extended households in Cisne Dos, a quarter of those in Commonwealth, and a fifth of those in Chawama included young, generally poorly educated mothers, most of whom did not even regard themselves as household heads. Depending on resource allocations within the

Box 13. Avoiding poverty as a "hidden" female head of household in Cisne Dos

Mercedes fell in love with Victor as an eighteen-year-old school girl. After a short courtship, she moved in with him and her parents-in-law, leaving school when she became pregnant. Two years later Victor lost his factory job, and tensions between the two began to grow, compounded by conflict between Mercedes and her mother-in-law. To escape this situation, Mercedes and her son, Renaldo, moved in with her widowed mother. Her mother looks after Renaldo while running her small home-based business selling beer and soft drinks, and Mercedes operates a sewing machine at a local workshop. Neither earns much, and they live well below the poverty line. But Mercedes prefers living in a more peaceful home environment, where she can rely on her mother to care for her child while Mercedes earns a living.

household and whether the women are working, they might be the poorest of the poor—although for programs targeting the poor they are largely invisible (box 13).

Young "single" mothers often move into extended households after relationships break down, primarily for financial reasons. Childcare is also an important reason—those able to delegate it are more likely to find work. Even if the income these women earn only partially covers their expenses, resource pooling with other household members means that they can support their children. Emotional support, to help handle the pressures of rearing children alone and the ostracism associated with single parenthood, is another important reason that young mothers move into extended households. In Commonwealth, for instance, unwed mothers live in extended households to shield themselves from gossip and disrespect.[18]

Households also restructure to assist young unemployed men. The long-term presence of these men can be a significant drain on the resources of extended households, especially those headed by women. Indeed, in Chawama—where unemployed men (three-quarters under twenty-five) were present in half the extended households in 1992—poverty in extended households is often related to this phenomenon (box 14). Young men unable to secure work often cope by moving from one extended household to another in the community or city. According to residents of Chawama, an important result has been an increase in gang activity, often associated with vandalism, crime, and violence.

For poor middle-aged women, an important strategy is to avoid heading a household. In Chawama women view female headship as a high-risk arrangement—largely on economic grounds. Strategies to avoid being the primary earner in a household revolve around serial monogamy. When relationships break up, women rapidly seek new partners. Children do not automatically move in with their mothers; complex negotiations between partners often result in children being sent into the care of relatives.

The restructuring of households around the termination of a marriage due to divorce, separation, or death most often affects older women. Their strategies for avoiding vulnerability in their changed circumstances vary among the communities. In Angyalföld women stay single to remain eligible for single women's benefits, though they often maintain a relationship with a nonresident partner (box 15). The high proportion of female-headed

Box 14. Young unemployed male dependents burdening households in Chawama

Although all over age eighteen, Boyd, George, and Maliteni live in their parents' extended household along with two other children, two grandchildren, and an aunt. All three brothers failed seventh grade and dropped out of school early. They describe themselves as "general workers," but none is working at the moment. The household depends on the income of their father, a bricklayer earning 3,000 kwacha a month. On this income the household cannot afford chicken, fruit, eggs, milk, or sugar. Meals usually consist of porridge (*nshima*) and relish. Boyd and George have girlfriends, but neither is able to marry and establish an independent households. With all the families living in cramped housing, Boyd and George must settle for visiting on weekends.

Box 15. Structuring households to maintain eligibility for state benefits in Angyalföld

Gina, a divorced woman of thirty-eight, enjoyed a comfortable standard of living before she and her husband split up and she lost her job at a canning factory. Since then she has raised her three children alone, obtaining as much local government assistance as possible. Former colleagues help out by giving her food. To remain eligible for benefits, Gina insists that her new partner live outside the household. They have discussed marriage, and Gina would like her children to grow up with both a mother and a father. But the change in her status would cripple her financially. Although deeply dissatisfied with her situation, Gina has been able to maintain her standard of living.

households (39 percent—14 percent divorcées and 22 percent widows) reflects not only changing "societal norms" in urban Hungary (Adamik 1992). It also reflects the adoption by households of a pragmatic strategy to take maximum advantage of state benefit transfers. While widows automatically lose their entitlement to a widow's pension on remarriage, men retain their access to social income transfers if they remarry—and a far smaller share of households are headed by single men (11 percent—9 percent divorcés and 2 percent widowers).

In Cisne Dos, where nearly half the female heads of household are either separated or divorced (average age forty-six) and another third are widows (average age fifty-seven), older women absorb younger relatives into their households, pooling incomes and sharing responsibility for caring for children and the elderly. This strategy is not foolproof: sometimes elderly women are unable to mobilize young relatives, and sometimes the strategy primarily benefits the absorbed kin. At other times economic necessity may force women to take back errant husbands.

Two other restructuring strategies are splitting households, in which individuals migrate to take advantage of economic opportunities elsewhere, and nesting, in which households allow other family members, generally children, to construct homes on their plots. These are both discussed in other chapters.

This chapter has focused on restructuring strategies that reduce vulnerability. Despite the resourcefulness of such strategies, the case studies show how an accumulation of factors can finally push households into poverty. Each household has a unique mix of assets—household relations, labor, and human capital—that determines the income it can generate. When life-cycle changes that reduce income, such as death or divorce, occur in conjunction with external changes, households can fall below a level of poverty from which it is difficult to recover. Extended households are often the poorest, and household vulnerability analysis indicates when such households are likely to enter extreme poverty—when, for instance, an elderly woman is joined by young unemployed men, or daughters return from a failed relationship.

CHAPTER 7

Inequalities in Household Responses

Finding 5: Strategies to reduce vulnerability sometimes impose unequal burdens on household members. Women, because of their multiple responsibilities, have frequently assumed a disproportionate share of the burden of adjusting to adverse economic circumstances, thus limiting their ability to respond to new opportunities.

Households are an important source of security, particularly when external conditions deteriorate. But they can also be a source of gender inequality in access to, use of, and control over resources (Sen 1990; Agarwal 1991). If this inequality means that men and women, and boys and girls, in a household respond differently to crisis and economic change, it can have important implications for their well-being and their ability to respond to new opportunities (Haddad, Brown, Richter, and Smith 1995). Data on intrahousehold time allocation, decision-making, and resource pooling in the four communities in 1992 highlight important differences within households that have particular implications for women.[19]

Balancing Productive Work with Domestic Responsibilities

The invisibility of domestic labor means that women's unpaid labor often goes unrecognized. At the same time, rigid gender divisions of labor within the household in all the research communities mean that, although women have increasingly taken on paid work, men have not adjusted by taking on significantly more household responsibilities. Nor have governments or local communities made compensatory adjustments by providing more childcare facilities.

Intrahousehold time management data for 1992 from the research communities show that in all four communities men and women put in nearly the same number of hours in productive work (see box on gender roles).[20] But while women average thirteen to sixteen hours a week on reproductive responsibilities over and above childcare, men average five or fewer hours a week on household tasks.[21] Both devote little time to community managing activities, but in these tasks too women average more time than men (figure 10 and table A4.29).[22]

Gender roles

Gender planning methodology identifies a triple role for low-income women in most societies. Women generally undertake activities in their reproductive, productive, and community managing roles, while men primarily undertake activities in their productive and community politics roles.

Reproductive role: Childbearing and child-rearing responsibilities and domestic tasks carried out mainly by women to guarantee the maintenance and reproduction of the labor force

Productive role: Work done by both men and women for cash or kind, including market and home or subsistence production

Community managing role: Work undertaken primarily by women at the community level to ensure the provision and maintenance of such collective goods as water, health care, and education

Community politics role: Formal political organizing undertaken primarily by men at the community level

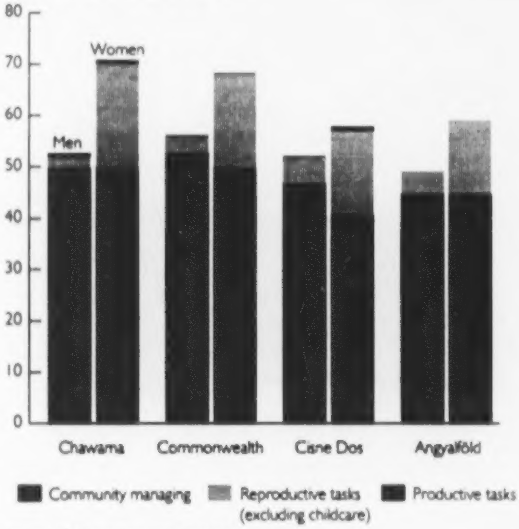
Source: Moser 1989a, 1993a.

The complexity of women's multiple roles is reflected not only in the hours they work, but also in the constant balancing of different tasks and responsibilities inside and outside the house, and in labor intensity—women often perform several tasks simultaneously. Subsample data on typical weekday schedules show that in all four communities most women rise earlier than their husbands and go to bed at the same time or later—averaging a sixteen- to eighteen-hour day. Men's and women's rest patterns also differ. Most men reported having a rest period, the time in which they socialize after the workday ends. But among women, only those who stay at home all day identified a rest period, generally a time after lunch during which they care for children, iron, sew, or prepare food. In Cisne Dos and Commonwealth they also watch soap operas on television. Women involved in income-generating activities have no rest periods during the day, and they are unable to rest in the evening because of reproductive tasks.

Disaggregation of reproductive tasks shows functional and spatial dimensions in the division of labor. While women perform all domestic tasks inside the house, such as cooking and cleaning, when men assist, their tasks are outside the house, such as shopping and fetching water. The same pattern holds true for boys and girls. In Commonwealth and Cisne Dos men's most important contribution is fetching water. In Chawama, where men perform virtually no domestic tasks, purchasing food is their only significant contribution. In Angyalföld men's primary reproductive task is shopping for food and other household needs.

Women's work status and household structure influence the hours they work and their ability to reduce their hours by delegating work to others. Nonworking married women generally put in the most time in reproductive tasks and frequently have the greatest childcare responsibilities. Married women with full-time jobs carry the heaviest burden—men do not necessarily help out more with reproductive tasks if their spouses work. Female heads of household spend the most time in productive work, and the least time in domestic tasks, depending on their ability to reallocate domestic tasks. Working wives in nuclear households work longer hours than their counterparts in extended households. Clearly, the presence of other members in the household who can pick

Figure 10. Women average more time working than men
(hours per week by task, 1992)



Source: 1992 random sample survey.

up some of the reproductive tasks translates into time savings.

Balancing Responsibilities and Labor Supply Constraints

Regardless of domestic commitments, economic factors force women into paid work. The study's results show no correlation between the number of children in a household and whether women undertake paid work. Nor do they show a correlation between women's educational achievement and whether they work.

Where women work depends not only on their skills or financial capital, but also on their mobility. The responsibilities of women with multiple roles limit their access to some jobs. As discussed above, women are more likely to work in the informal sector, where they earn less than men. The least mobile women often start home-based enterprises, best suited to balancing multiple responsibilities (box 16). While in Commonwealth such enterprises can be highly lucrative, in Chawama and Cisne Dos severe competition means that there is a direct relationship between the location of an enterprise and its earnings—the more mobile sellers are, the more they earn. Women who are the household's primary income earner, and thus face greater pressure to find better paying work, often work outside the home or local community, in domestic service or market selling.

Household structure affects who does productive work and who takes on domestic tasks. While sons and other male household members engage in productive work, female members contribute to domestic labor—in extended households, daughters, mothers, and sisters. In Commonwealth, for instance, there are strong traditions of intergenerational childcare support (box 17). In nuclear households older daughters quickly assume responsibility for younger siblings, although they are not put in charge of cooking until ten or eleven years of age. The more tasks delegated to daughters, the more hours women work. In some contexts, particularly extended households headed by women, mothers effectively hand over the reproductive role to daughters, devoting themselves to productive work. Women who lack such support and have only very young children have no alternative while away at work but to lock them up in the house. In Cisne Dos such women typically start their day at 4:00 or 5:00 a.m., cooking food to be eaten while they are away, and end their day by doing more domestic tasks.

Decisionmaking and Resource Allocation within Households

Within households individual well-being does not necessarily increase or decrease with household income. Welfare depends not only on the level of household income, but also on who controls income flows (Dwyer and Bruce 1988; Haddad and Kanbur 1989).[23] The study therefore examined the relationship between women's increasing paid work and their decisionmaking responsibilities and control over household resources.

Box 16. Balancing productive and reproductive work in Chawama

Gertrude, aged forty-three, lives with her husband, Peter, and their six children. Because Peter is unemployed, Gertrude is the main breadwinner. To support the family, she brews and sells *kachasu* (beer). Even though Peter does not work, he does little to help around the house, consistent with traditionally accepted practice. Gertrude gets up at 5:00 a.m., an hour before everyone else, to prepare breakfast. During the morning she buys food for the day and cleans the house, while Peter usually sleeps. After preparing lunch, Gertrude goes out again to "look for food for dinner." Around 4:00 p.m. Peter goes off to the beer hall, leaving Gertrude brewing the *kachasu*. With the help of her two older children, Gertrude then sells the *kachasu* on the street. At 6:00 p.m. she returns home to make dinner for the children, and then often waits up until 10:00 p.m. so that she can serve Peter his meal when he returns from the beer hall. She usually retires around 10:30 p.m.

Box 17. Older daughters carrying domestic burdens in Commonwealth

At sixteen, Tetchie is the oldest of six children. Two of her brothers dropped out of school at age twelve, with their father's "reluctant permission," because they were bored and wanted to earn money. Tetchie, however, was far more ambitious in her studies—she wanted to become a nurse. Because her mother worked as a market seller, Tetchie had been helping with domestic chores since she was nine. At first she coped by attending the afternoon shift at school. But when she was eleven a brother fell ill with pneumonia and her mother insisted that she leave school for a year to care for him. On his recovery she returned to school, repeating a year. But when Tetchie was fifteen her mother died, and with only one sister to help with housework Tetchie had to leave school permanently, giving up her dreams of becoming a nurse.

Subsample data from the three developing country communities indicate that women have primary or equal decisionmaking power in purchases of food and, to a slightly lesser extent, clothing. For other household expenses—such as loans or the purchase of consumer goods, gifts, or children's education—decisions are shared with men in Cisne Dos and Commonwealth, but in Chawama men control most of these decisions. The one area where men in all three communities have full decisionmaking power is the purchase of alcohol and cigarettes—"luxury items" for their own consumption. Since male alcohol consumption is frequently the biggest drain on household resources, this division of decisionmaking power has important implications for women's ability to budget.

Regardless of women's contribution to household income, in all three developing country communities their responsibility for food provisioning outruns their resources, requiring them to negotiate with men to gain access to men's income. In Cisne Dos more than half of women depend on their husband's money to purchase food, while in Chawama more than three-fourths of women are entirely dependent on their husband's money. Subsample data show that men in these communities allocate about 75 to 80 percent of their earnings to their wives (table A4.30). By contrast, in Angyalföld men tend to hand over their entire pay packet—and control over it—to women.

In Cisne Dos nearly half the women receive housekeeping money on a daily basis, and a quarter receive it on a weekly basis. By contrast, in Chawama, where many men are paid monthly, half the women receive money on a monthly basis. When women receive housekeeping money daily, they cannot budget. Nor can they buy food in bulk, making food purchases more expensive and increasing the time they spend to buy food by the meal, if not by the day.

In another area of household decisionmaking, fertility control, there are also marked differences among the three developing country communities. In Cisne Dos partners tend to make a joint decision to limit the number of children they have, while in Chawama joint decisionmaking shows a strong pro-fertility preference, reflecting the pressure for more income earners. In Commonwealth there appears to be considerable conflict between husbands and wives: while women express a desire for fewer children on economic grounds, that desire often is not realized in practice.

Social Costs of Household Adjustments

As family members adjust their lives to diversify or increase household income—women by extending their workday or delegating reproductive tasks, children by taking on additional responsibilities, and men by coping with declining income and job security—they reduce household vulnerability. Although the social costs of such adjustments are difficult to quantify, subsample data from the communities show that not all households have coped equally well.

Families have had to change long-held norms and patterns of parenting. Women in all the communities express concern about the long-term effects for their children of having less time to nurture and care for them. They worry that young children could develop nutritional problems if they are not fed by their mothers—when daughters feed younger siblings, food is not necessarily equitably distributed. Women also worry that older daughters, forced to take on domestic responsibilities at a young age, will respond to less parental care and guidance by becoming irresponsible, neglecting siblings, becoming promiscuous, or even turning to prostitution. But perhaps most of all women worry about reduced parental control over teenage sons, who, with less supervision, may be more likely to drop out of school, to become involved in street gangs, and in some communities to be exposed to drugs.

What do women do when life gets to be too much? Some become despondent about their situation. Subsample data from Cisne Dos show that three-quarters of women interviewed in 1992 admitted that they had suffered from depression.[24] Women experience the greatest stress as mothers. Two-thirds cited their inability to provide adequately for their children as the main reason for their depression; far fewer related depression to marital problems. Not all women are able to cope, and some end up "burnt out" after years of struggling to make ends meet in the face of declining income and increasing dependents (box 18).

Men often respond to declining earnings and growing household demands through increased alcohol and other substance abuse. Among women drinking is less widespread, though still prevalent, as are drug abuse and smoking in some communities. Men's drinking is tolerated unless it increases domestic violence or absorbs too much money. Alcohol abuse is a major problem in all the communities surveyed.

- In Chawama nine out of ten women said that drunkenness of both husbands and sons was a problem. They felt that women drank because of economic stress and poverty and to cope with the stress of meeting potential marriage partners.
- In Cisne Dos women reported that male drinking had increased. But while alcohol was a problem among older men, among younger men drugs have increasingly become a problem since the 1980s, with the shift from marijuana to *pasta*, cheap cocaine paste.[25]
- In Angyalföld both men and women drink alcohol to escape desperate situations. Tanya, a thirty-seven-year-old widow who had

Box 18. Women trying to balance multiple responsibilities in Cisne Dos

Marta's husband, Miguel, a daily laborer, has always been unreliable—sometimes disappearing for days at a time. So Marta has worked as a washerwoman since the first of her six children was born. Initially she worked locally, but to earn more she went to work for a middle-class household across town, locking her children up in the house while away at work. In 1992 Marta was pregnant again at age thirty-eight because Miguel does not allow her to use birth control. Unwell and unable to travel across town, she was reduced to working locally again and could not make ends meet. Two women neighbors and a *comadre* (godmother of one of her children) lent her money, Padre Francisco from Jospice Internacional paid recent medical bills, and an emergency matriculation fee grant from Plan Internacional ensured that two of her daughters could enter secondary school. Friends are concerned about her well-being. As one commented, "You need guts to survive. Women with hopeless husbands are no better off than women without husbands."

Josefina brought up her nine children on her own after her husband deserted her for another woman following the birth of the sixth child. Although he continued to claim conjugal rights, he made only occasional small financial contributions. Until 1983 Josefina worked locally as a washerwoman. When her oldest daughter, Anna, became pregnant, Josefina moved to better paying work in a laundry in the city center, leaving the younger children with Anna. By 1992 Anna had added five children of her own to the eleven-member household, and Josefina had largely given up responsibility for her own children. She worked as a live-in domestic servant and came home only on weekends. She preferred the tranquility of her live-in job, saying that "there's too much noise at home." Despite Josefina's earnings, this three-generation household is very poor. Two children get lunch from the evangelical church feeding program for the poor, and another attended the *hogar comunitario* until it was closed.

recently been made redundant, said that "with three children shouting from three corners, the only way of keeping going is to dampen myself from time to time." Many households compromise on food consumption to sustain their smoking habit.[26]

- In Commonwealth women reported widespread alcohol and drug use by men, who drink in gangs when unemployed and in need of companionship. This often precipitates conflict, and nearly half the women reported having had negative experiences when their husbands had been drinking, including heated arguments or their husband's death through violence or due to alcohol poisoning.

Domestic Conflict and Violence

When adverse economic conditions put additional pressure on human relationships, increased conflict and even violence between household members sometimes result, increasing vulnerability (Heise, Pitanguy, and Germaine 1994). In all research communities women reported that domestic violence was prevalent, but gave a mixed picture on whether it was increasing. Women identified a direct link between declining male earnings and increasing domestic violence, often associated with alcohol abuse. In Cisne Dos and Angyalföld marital conflict was the most important cause of household restructuring. While separation reduces stress and violence, it also means that households have fewer assets on which to call (box 19).

In Chawama two-thirds of women cited lack of money and food as the most important cause of marital conflict, and alcohol or drug abuse as the main reason for wife beating. In Cisne Dos a third of women said that domestic violence had decreased. These women, most of whom earned a reliable income, attributed the change not only to the greater respect they had gained though economic independence, but also to an increase in their assertiveness. Half the women in Cisne Dos, however, said that nothing had changed. Women cited jealousy

Box 19. Women's voices on domestic violence

In Commonwealth Marilyn blames herself for her husband's beating her. Because she "nagged" him in public, causing him to lose face, she reckons that she deserves the treatment she received. Rosalie thinks that when men are drunk, they take advantage of women to prove that they are stronger. Women rarely complain about wife beating because "they are easily replaceable." They believe that they must "be careful not to nag their husbands" for fear that their husbands might leave them.

Women in Cisne Dos condemn men who beat their wives. Margarita, a married twenty-five-year-old, believes that men's feelings of inadequacy outside the home result in violence within it: "Without work, he does not feel like a man in the street, so he vents his anger in the home." Teresa maintains that any decline in domestic violence reflects changes in women, not in men. After being beaten often by her husband when he was drunk, she finally locked him out of the house. She comments that "women now defend themselves. I stopped letting myself be beaten."

In Chawama Elsie, forty-two, despairs about her husband's drinking, which she equates with pouring money vital for household necessities down his throat. There is continual friction between them about money crises. Elsie complains, "Yes, men drink a lot of beer. More money going into beer, and children are staying hungry. That man thinks of himself before his family." Mary, thirty-eight, underlines the vicious cycle of economic crisis and household conflict. Her problem is her children's drinking, which leads to disobedience and tension. She worries about their prospects, and says that "even young people look like old people because of drinking."

Women in Angyalföld perceive a link between alcohol consumption and wife beating. As Eva, thirty-seven and married, comments, "the tension and misery are greater now, but sober people do not start beating each other." Maria, thirty-six, has just come through a painful divorce, the outcome of her husband's redundancy, despair, alcoholism, and ultimately violence toward her. Unemployed, she now lives alone with their children. Her life is hard, but she has no regrets: "He started to hit me so I told him to go. It's as simple as that."

and alcohol as the reasons for wife beating, which occurred when they asked for more cash. They attributed men's anger to feelings of frustration stemming from insufficient earnings, or to defensiveness when challenged about retaining earnings to spend on other women and on alcohol. In Commonwealth women said that their nagging or lack of compliance with their husbands' wishes had provoked their husbands to attack them—reflecting the low self-esteem among women in the community.

Least recognized is that economic pressure can exacerbate conflict between parents and children, often because of the increased reliance on children's labor. Although girls are socialized to assist their mothers with domestic tasks, they do not automatically accept the responsibilities thrust on them, and their resistance causes conflict. In Cisne Dos nearly half the women interviewed identified conflict with children as their main problem and attributed this to the lack of resources to get their children what they want. Other conflicts can arise because of parents' lack of time to supervise their children. Both boys and girls may respond by not studying. In addition, girls may help less in the home, and boys may spend too much time in the street drinking.

CHAPTER 8

Social Capital as an Asset

Finding 6: The pressures of economic crisis can exert opposing forces on social capital—both strengthening it, as reciprocity networks are increasingly called into play, and eroding it, as households' ability to cope deteriorates and community trust breaks down.

The extent to which a community can be considered an asset that reduces vulnerability or increases opportunities depends on its stock of social capital, identified as the networks, norms, and trust that facilitate coordination and cooperation for mutual benefit (Putnam 1993b, 36). This chapter explores issues relating to the outcome of external economic change at the societal level.

The chapter raises two questions. First, does the process of settlement consolidation influence the stock of social capital in communities and the subsequent capability of community-based organizations (CBOs) to negotiate for improvements when services decline? Second, does social capital increase or decline under conditions of economic difficulty?

Settlement Consolidation, Social Capital, and Negotiating Skills

Comparative data from the three developing country communities show that, regardless of setting, interhousehold and community-level reciprocal relationships and social networks have been important in the consolidation process. These structures have their origins in rural-urban family links, in networks based on kin and place of origin, and in more recently formed local networks. Short-term reciprocity centered mainly on money and responding to such crises as death or illness, and longer-term reciprocity in food, water, space, and childcare, are a precondition for the trust and cooperation that underlie CBOs.

Comparisons among the research communities also show marked differences in their stocks of social capital, as manifest in the type and duration of CBOs. These differences are also reflected in the differing capabilities of CBOs to solve problems of declining public services, through negotiation and lobbying or by providing community-based delivery mechanisms. These abilities are influenced by the political, economic, and social systems in which CBOs develop, including the nature of the community's relations with the state and of its social networks.

Squatter communities such as Cisne Dos and Commonwealth, consolidated through long processes of conflictual negotiation with populist political parties and local governments, have developed CBOs capable of negotiating during periods of resource restraint to ensure the continued delivery of essential government services or to ensure their delivery through alternative, community-based NGO systems.[27] By contrast, communities such as Chawama, serviced by "top-down," vertically structured government delivery systems, have benefited less from negotiations with alternative actors. Although churches and other NGOs are present in Chawama, they operate primarily top-down welfare delivery systems that do not necessarily increase the community's stock of social capital. Finally, the very different case of Angyalföld highlights some of the implications of the legacy of top-down delivery in a socialist system. These contrasts suggest the importance of understanding the historical context of community participation (box 20).

Social Capital under Conditions of Economic Crisis

The permanence of social capital cannot be taken for granted. Households link into communities in a virtuous-vicious circle, based on interhousehold reciprocity. When households are coping, they support others. But when their assets are depleted, they cease to support communities. If social capital increases rather than decreases through use, as Putnam (1993b) has argued, it is important to identify how increasing economic pressure affects the use of social capital and thus its stock. The study identified changes in trust, in notions and patterns of reciprocity, and in norms of legitimacy and illegitimacy as contributing to change in the stock of social capital in the research communities.

Data from the four research communities show a mixed picture of interhousehold reciprocity under deteriorating economic conditions. Reciprocal links centered on nonmonetary exchanges between neighborhood women have strengthened. With limited community childcare facilities and increasing numbers of women in income-earning activities, reciprocity in child-

Box 20. Settlement consolidation and social capital in the research communities

- In Cisne Dos *barrio*-level CBOs were formed by settlers shortly after arrival in the 1970s. They were modeled on the community development prototype introduced by the U.S. Agency for International Development in its Alliance for Progress Program in the 1960s. By the mid-1980s the provision of politically negotiated infrastructure for landfill, water, and electricity had ceased in Cisne Dos. CBOs responded by negotiating directly with such agencies as UNICEF and Plan Internacional to provide community-managed economic and social programs.
- In Commonwealth CBOs were critical from the outset in the long battle to win legal tenure, and their collaboration with politically aligned NGOs ensured that bulldozers did not evict the residents. The tenure struggle still preoccupies CBOs such as Sama-Sama, preventing them from focusing on the provision of services. But other community-initiated CBOs, such as associations of vendors and tricycle owners, and external NGOs have provided alternative mechanisms for a range of community-based services.
- Chawama was given legal status by a newly independent government in exchange for political support. It was recognized as a municipal township, and upgraded during 1974–78 through top-down infrastructure provision and land titling. The country's one party, UNIP, controlled government resource allocations and provided the main organized activity other than the church. After a democratically elected government took office in 1991 and UNIP's popularity waned, residents identified an organizational vacuum. Other than the parent-teacher association, there were only a few, externally initiated welfare programs provided by churches and NGOs.
- In Angyalföld housing and infrastructure were centrally provided under the socialist system. Declining state expenditure on maintenance and deteriorating conditions have not yet elicited any community-based solutions.

care has become more important, especially for women in households without other female caregivers. In Commonwealth friends and neighbors provide nearly half the childcare. In Angyalföld state childcare provision was still widespread in 1992, but being reduced, presenting a new problem for local women. Also important in all the communities has been the increased sharing of food, water, and cooking in sophisticated reciprocal arrangements designed to achieve efficient use of time. A home-bound woman might cook for up to two or three other related households living nearby or for neighbors, particularly in times of stress. Food and water are shared when people have shortages because of a lack of cash or of purchasing or queuing time.

There are similarities across the research communities in traditional credit arrangements. Poor households consistently borrow money on a short-term basis from neighbors and nearby relatives for daily consumption needs such as food or water or to pay electricity bills. Women reported that such borrowing had increased with economic crisis. In Commonwealth three-quarters of women said that they borrowed in this way, in Cisne Dos half the women did, and in Angyalföld and Chawama a third did. In Chawama very poor women said that, because of increasing problems with repayment, they had ceased to borrow, preferring to go hungry instead.

Larger loans for unexpected crises, such as ill health and funeral expenses, are more likely to be obtained from employers, moneylenders (*nagpapalistas* in the Philippines), or godparents (*compadrazgo* in Ecuador). Formal banks are used least because of their strict repayment requirements and high interest rates. In Angyalföld one in ten households use them, and in Chawama only 2.5 percent of households do. A decreasing ability to obtain loans in Cisne Dos prompted two NGOs working in the community, Jospice Internacional and Plan Internacional, to establish an emergency fund program in the late 1980s.

The importance of reciprocity networks that extend beyond the local community has varied in the research communities under changing circumstances. In Commonwealth complex urban-rural reciprocity systems have remained strong, reducing vulnerability for both urban and rural households. Urban households lacking food or childcare may send young children to their rural home areas to be cared for, and youths are sent to escape urban violence and drug abuse. Rural households send children to urban relatives for schooling or employment. In other communities such reciprocity was perceived to have declined. In Chawama only a quarter of households benefited in 1992 from rural-urban food transfers, which were insecure and unpredictable, and few households sent cash remittances to rural areas. Only reciprocal arrangements around children remained strong: rural households sent girls to the city to help with domestic tasks, and urban households sent children to rural relatives when marriages broke up or there was insufficient space in rental accommodations. In Angyalföld families did not get food from rural relatives, and only gypsies, a marginalized ethnic minority with strong social cohesion, placed small children in rural households because of space, childcare, or marital problems.

Overall, the evidence suggests that where households have sufficient resources, as in Commonwealth, reciprocity in cash and kind (including childcare) has been sustained, contributing to the stock of social capital in the community. By contrast, in Chawama the data suggest that economic crisis has pushed many households beyond the point at which they can sustain such reciprocity. Poor women no longer borrow from their neighbors because they cannot repay them, and reciprocal links with rural communities have become strained as households must increasingly focus on their own survival. As a result, community stocks of social capital have eroded. The evidence suggests that at a certain point a threshold was reached, after which existing stocks simply could not be maintained.

Declining Time for Community Participation

Who participates in the community? Is the community underutilized, as a recent World

Bank report maintains (1995c, 87)? In most poor urban communities one of women's multiple responsibilities has been community managing, volunteer work to ensure the provision and maintenance of such basic services as water, health care, and nutritional support through community-based organizations. Men have tended to play a role in community politics, working in formal political organizations, generally within the framework of national politics (Cornia, Jolly, and Stewart 1987; Moser 1989a, 1993a).

Despite different histories of community involvement, in all the research communities in 1992 the only widely attended institutions were religious ones. In Chawama four-fifths of women and three-quarters of men attended the two mosques and twenty-two churches. Their motives ranged from a desire for fellowship to spiritual needs exacerbated by the AIDS epidemic. Participation in national political parties and trade unions, mainly by men, was minimal in all communities. The remaining organizations of any importance were youth groups, primarily for boys' sports, and CBOs set up to improve and maintain community services and facilities.

The study identified several common characteristics of participation in community-based organizations (other than in Angyalföld, where they appeared to be absent). First, the day-to-day management of CBOs is undertaken primarily by women, even where men have leadership roles. In Cisne Dos, for instance, the ordinary members of committees have always been women, a fact long justified by the myth that "women have free time, while men are out at work." In Commonwealth, where women are also active in CBOs, they expressed pride in their commitment and recognized their sacrifices, especially in terms of time. Of twenty-one organizations identified in Chawama, only four had adult male participants.

Second, the number of women actively involved in CBOs is small, and women reported that membership had declined. Third, those participating in CBOs devoted limited time to them, averaging less than an hour a week. Women attributed the limited and declining participation to their increased need to earn income.

Externally managed NGO and government agency programs with income or welfare components are often the most important community-based activities. In Commonwealth and Cisne Dos nearly a third of households benefit from such projects. Some of these programs involve community participation. In Cisne Dos, for instance, Plan Internacional provides such benefits as latrines, home improvements, or school grants only if a family member attends the three-hour Saturday afternoon meeting. Men recognize the contribution to household resources that women make through participation in such activities. As a local carpenter said, "I earn the money, and my wife looks after the children and attends the meetings."

Such programs can be an important part of community support systems, and when governments withdraw them abruptly, they can erode community trust. In Cisne Dos, for instance, government withdrawal of support for a local childcare program with one month's notice had adverse effects not only on the children, but also on household income—because women lost jobs—and on community morale (box 21).

Changing Norms of Legitimacy and Illegitimacy

Residents in all three developing country communities perceived an escalation in crime, violence, and corruption and a deterioration in personal safety. Subsample survey respondents in Commonwealth identified these trends as the most pressing community problem, and those in Chawama and Cisne Dos ranked them second only to inadequate water supply. In Chawama more than nine out of ten women interviewed felt insecure, particularly at night, and their increasing fear was compromising their liberty to move around the community. Perhaps in part because of the increasing threat of violent attacks, the vast majority of women fetched water in the morning rather than in the evening, when the water pressure was equally good. In Commonwealth more than half the

Box 21. Impact of the government's withdrawal of support for the Red Comunitaria program in Cisne Dos

In mid-1993 the national government withdrew its financial support from the Red Comunitaria (community network) set up by the previous government. Among the programs forced to close were two community childcare centers (each providing education, nutrition, and childcare for up to 120 preschool children aged two to five) and three *hogares comunitarios* (each providing nutrition and day-long childcare for up to fifteen children from birth to school age). These programs had been operating in Cisne Dos since 1978, originally under a UNICEF urban basic services program. Later they were incorporated into the Ministerio de Bienestar Social and then into the Red Communitaria.

In May 1994, fourteen months later, a survey of thirty women who had used the three *hogares comunitarias* in Cisne Dos was undertaken by Caroline Moser with community women researchers. All but two of the women surveyed were deeply dissatisfied with the closure. It had directly affected their employment. Forty percent had been forced to give up their jobs, and that share rose to 50 percent a year later. Others had changed jobs to work closer to their homes or at home, and some who had worked as domestic servants in two houses had given up one of those jobs. Women employed in the *hogares comunitarias* also lost their jobs. The loss of earnings resulting from these changes in employment had important implications for household income and poverty.

For women who continued to work, the need to now pay more for childcare also increased economic pressures. But most could not afford the higher costs and were forced to delegate childcare to other family members (86 percent to grandmothers or older daughters). This responsibility was difficult for grandmothers in poor health, and it created problems for daughters, who had to balance schoolwork and childcare. Many had to shift to night school.

The survey also revealed problems for the children. As one mother said, "the child cries a lot, asking for his friends and toys." Many women noted that their children had become thinner now that they no longer received lunch at the center. Others complained that their children had become sicklier because they spent more time in the streets.

Women in the community, particularly those on the *barrio* committee, resent the withdrawal of childcare services. But also important is their perception that government mismanagement of funds has undermined the trust between the community and the government. The women see this loss of trust as the rupture of a social contract carefully negotiated over the years.

respondents felt unsafe in the community and were reluctant to go out at night for fear of being robbed or physically attacked. Some women feared being in their homes alone because of the possibility of robberies or attacks. As one women stated, "with nightfall comes the sound of shooting and running."

Community residents attributed the dramatic increase in such problems to two factors: increasing unemployment and lack of income, particularly among young men, and escalating drug and alcohol abuse. The group that most held responsible was young men, often increasingly visible in street gangs. In Cisne Dos nearly half the respondents identified *pandillas*—gangs of young men—as the main problem, although only one respondent in five had had a bad experience with a gang. Gathering on the main road, gangs exacerbate the feeling of insecurity by repeatedly destroying street lights. In Commonwealth the perceived increase in *barkadas* (gangs), whose members often stand on street corners drinking and arguing, similarly gave rise to growing fear among residents.

All communities also reported a significant increase in burglaries. This not only increases concern about the safety of property. It also reduces trust between neighbors and community members, eroding stocks of social capital. During the 1980s households increasingly fortified their property—putting in burglarproof windows, reinforcing doors, and building higher perimeter walls—isolating themselves from their neighbors. Also on the rise in the 1980s were homicide, crime on the streets and on public transport, and vandalism of public property. Although the gravity of these crime trends varied among the communities, everywhere they had important consequences (box 22).

Respondents in all the communities expressed a lack of confidence in the capacity or willingness of the police to address such problems. In Chawama, despite the presence of a local police post, two-thirds of respondents believed the police to be unhelpful. Lack of backup and ineffective communication isolate the police in their police station, limiting their ability to respond to distress calls or flagrant criminal acts. Some respondents felt that the police themselves were frightened by criminals and hooligans. In Commonwealth local authorities had recognized the problem of gangs and tried to alleviate it by imposing a curfew (also aimed at reducing drug and alcohol use) and organizing sports leagues to give young men alternative ways to spend their time. Despite such measures, residents remained pessimistic, primarily because of the corruption they perceived among the local police and *barangay* officials. They reported that police and local officials accept bribes to cover up evidence, often in league with *barkadas*, and even commit crimes themselves. In Cisne Dos in 1992 the *barrio* leader declined an offer to have police posted in the community, arguing that, given the corruption on the police force, it was a mixed blessing that could provide a protective haven for local drug dealers and burglars as much as it would deter crime.

Contradictory Trends in Social Capital Stocks

Evidence from the research communities suggests that economic crisis has consolidated and reinforced interhousehold reciprocity, especially between local women, who increasingly rely on one another to balance their responsibilities—although very poor households can reach a point at which even this kind of reciprocity ceases. But economic crisis has also eroded trust and cooperation in a number of important respects. Women have less time to collaborate in

Box 22. Increasing crime and violence in the research communities

- In Commonwealth homicide has become a growing preoccupation. Six out of ten women widowed over a ten-year period had lost their husbands—and a quarter of households a husband or a son—as a result of violent death. These violent deaths usually were associated with drinking episodes that sparked arguments or brought local political disagreements or long-term feuds to a dangerous head.
- In Cisne Dos robberies on public buses have become a common occurrence in which gangs of young men with knives, machetes, or handguns rob all passengers of their money and valuables. In a six-month period in 1992 one in five women in Cisne Dos was robbed on a bus, and one in two women witnessed such an attack. Women experiencing such attacks had been robbed a mean of 3.2 times. The lack of safe transport during off-peak hours has caused girls, generally from the poorest families, to drop out of night school.
- In Chawama poor public safety has restricted public servants' freedom to move about the community. A primary school headmaster said that female teachers, threatened by male youths roaming the community, have failed to report for work. A deputy headmaster reported that his daughter, while returning home from school in the evening, had been raped by a gang of boys, and that on another occasion his four-year-old son had been physically assaulted by a hooligan who had entered the teachers' compound to steal food.
- In Chawama vandalism of public property has increased dramatically. By 1992 vandals had struck all state primary schools and community centers in Chawama, causing damage that curtailed community activities. After losing electrical fittings, schools dropped evening classes for adults and extension students, and community centers, having lost their recreational equipment, furniture, and teaching aids, stopped offering programs for women and youths. The parent-teacher association raised funds to build fences around the schools, but nine out of ten people surveyed nevertheless considered the community apathetic about the vandalism and its effects on the community.

voluntary community-based activities and choose only those that generate income, and increasing crime and burglaries have severely eroded the trust between neighbors.

This erosion in the stock of social capital has been compensated for in part by formal NGO networks that have replaced informal networks in providing welfare and assistance. However, although such networks help increase incomes, they do not necessarily increase social capital. This analysis raises important questions about the implications of the erosion of trust and security for economic development.

CHAPTER 9

Priorities for Action

Recommendations for Action

Although changing economic circumstances have presented some new opportunities for the urban poor, the study's findings suggest that the innovative strategies and resourcefulness of individuals, households, and communities are often insufficient to offset the erosion of their asset base. Several actions could help improve the ability of the poor to mobilize their assets to prevent increased poverty or vulnerability.

Support Households in Their Role as Safety Nets

Designing appropriate interventions to support households in their role as safety nets raises two issues for policymakers. First, to ensure that interventions complement and strengthen, rather than substitute for, people's own initiatives, priority should be given to longer-term structural interventions—such as to restore eroding infrastructure—rather than to short-term compensatory measures. Second, since many of the poorest households are those headed by single mothers "hidden" within extended households, it is important to target such women or their children directly, through health clinics or primary schools.

Alleviate Constraints on Women's Labor Supply

The case studies clearly showed the critical importance of women's labor in reducing household vulnerability, and how constraints on their ability to carry out their multiple responsibilities can harm children's development. To foster the well-being of families, interventions are needed to reduce these constraints—for example, better provision of childcare and more easily accessible water supplies and health services. To ensure that such interventions are mainstreamed, gender planning should be integrated into program and project design.

Ensure That Social Capital Is Not Taken for Granted

The erosion of social capital during economic crisis can break down community-based systems for delivery and maintenance of social and physical infrastructure. Ways to strengthen stocks of social capital to prevent such breakdown could include efforts to break dependency syndromes, rebuild eroded trust between the government and the community, and introduce realistic valuations of "voluntary" community work. A necessary first step is community-level institutional analysis, to identify the stocks of capital that exist.

Table 8. Asset vulnerability in the four research communities: outcomes and potential solutions

Type of vulnerability	*Outcome*	*Potential solution*
Labor	• Loss of income	• Develop NGO credit schemes for home-based enterprises • Provide adequate nontraditional skills training appropriate to the community
Human capital	• Inability to maintain investment levels in education and preventive health care • Inability to provide safe, clean water	• Provide adequate, accessible low-cost health care • Provide resources for primary education (teachers, textbooks, classrooms) • Provide credit for education expenditures such as uniforms • Repair and maintain water supply • Provide safe, easily accessible standpipes
Housing and infrastructure	• Inability to use housing as a productive asset	• Facilitate plot ownership or subdivision • Review regulatory framework for land • Provide electricity so that people can operate home-based enterprises
Household relations	• Increased domestic violence • Lack of adequate childcare • Lack of caregivers for the elderly • Split households	• Support police stations managed by women • Provide community-based, community-supported care for children and the elderly • Provide time- and labor-saving technology
Social capital	• Decline in attendance of CBOs, particularly by women, or in activity of CBOs • Increase in youth gangs • Increase in crime and homicide • Lack of physical mobility, especially at night and for women • Decline in night school attendance	• Through social funds, provide real opportunities for CBO-organized interventions that recognize paid as well as voluntary work • Give priority to community facilities, especially for youth • Support community-based solutions to crime • Enhance policing capacity • Provide a water supply close to residential neighborhoods • Provide safe transport • Provide technologically appropriate lighting • Provide wide, open thoroughfares for vendors • Locate night schools close to residential neighborhoods

Develop Social Policy That Integrates Human and Social Capital

To increase the economic productivity of the poor requires a comprehensive, holistic, social policy approach that recognizes the complex interdependency of social and human capital. In the past decade policy has increasingly reflected the role of human capital in economic development. Much more recent recognition of the importance of social capital in economic development, and the effects of its erosion during periods of economic stress, suggests the need for a social policy approach that creatively combines individual choice with community participation, linking human development with societal development.

Pursue Further Research

Although the study was not designed to measure the effect on poor communities of macroeconomic interventions, its results raise a number of issues concerning links between local communities and the broader economy in the context of such forms of restructuring as privatizing infrastructure, deregulating markets, and restructuring labor markets. Further research is critical to identify marketization and privatization strategies most likely to benefit the poor. The allocation of resources within households and the effects of this resource allocation on children also need more investigation.

The issue of social capital too warrants further research. Key questions that follow-up research should address include these: How is social capital strengthened by being used? When does it become overwhelmed and break down? And how can breakdown be avoided?

Tools for Strengthening the Assets of the Poor

Poverty reduction measures are neither simple nor straightforward. Designing effective locally based approaches to reduce poverty and vulnerability in urban communities requires tools for use in accurately defining mechanisms for strengthening the assets of the poor. Such tools would help analysts move beyond "ideological" statements about reducing poverty to strategies based on the particular assets and labor supply constraints of the poor in the targeted community.

One such tool is the asset vulnerability matrix developed by the study, which can be used to identify factors increasing or decreasing the vulnerability of the poor. Applying this framework, the study identified outcomes of asset vulnerability in the four poor urban communities, as well as potential solutions. These outcomes and solutions are outlined in table 8, included here as a practical guide for similar exercises. In a recent example of the use of an asset vulnerability matrix, the Ecuador poverty assessment (World Bank 1995a) identified the importance of housing as a productive asset.

Appendixes

Appendix 1

Community Briefs

Chawama

Country context. Zambia, an oil-importing country with a narrowly based mineral exporting economy, was dealt a double blow in the mid-1970s by the sharp increases in oil prices and the collapse of copper prices. After a severe crisis in 1982, the economy did not recover throughout the 1980s.

Consolidation history. The Chawama Complex is located in Lusaka, some 8 kilometers from the central business district. Initially a farm area, it was leased to companies for quarrying in the 1940s. African workers were accommodated near the quarries in makeshift structures, and allowed to remain as tenants after quarrying ceased in 1961. In 1966 the newly independent government purchased the land and incorporated it within extended city boundaries in 1970, with de facto recognition by the Lusaka city council. From 1974 to 1978 squatters were leased plots to build houses or given permits to stay where they were, while house owners were given thirty-year occupancy permits.

Community-based organizations. There is a very low level of community mobilization in Chawama. Among local organizations, churches are involved in welfare activities in the community, and a local NGO, the Family Health Trust, provides assistance to HIV/AIDS patients.

Socioeconomic characteristics. In 1992 Chawama had 58,146 residents, 60 percent more than in 1974. It has a young population, with 42 percent under age fourteen, and an even gender distribution. Half the residents are urban-born, and in 1992 households had lived in Chawama for an average of six years, although legal home owners had lived there for more than thirteen years on average. Most rural migrants were tenants.

Employment. The formal sector has contracted but still provided work for almost two-thirds of Chawama's working men in 1992. In part because of increasing employment among women, almost half the population earned income from self-employment in 1992, mostly in informal sector sales. Market trading is the main economic activity in the area. The labor force in Chawama had an average of 7.5 years of schooling in 1992.

Upgrading and access to basic services. In 1973 the World Bank selected Chawama for an upgrading and sites and services project. Electricity was first introduced in 1979 through standard lighting near the main road, and piped water was provided—one tap for every twenty-five plots—but no sewerage system. Garbage collection was irregular and unreliable, but in 1989 periodic outbursts of cholera and waterborne diseases prompted the city council to resume regular service. The community's education facilities, consisting of only one primary school in 1978, were expanded by the addition of three state and four private schools. Public health services were consolidated through the provision of a full health center.

Key issues

- In Chawama the regulatory environment has inhibited the mobilization of private resources for additional housing, resulting in an acute housing shortage and a growing rental market.
- After providing public services in the 1970s, the government has failed to adequately maintain them, with adverse effects on the productivity of the poor.
- Declining employment in the formal sector has resulted in growth in the informal sector, with high profit margins for some male traders and residual income for female street sellers.
- Household restructuring as a response mechanism has reduced vulnerability for individuals, such as young unemployed males and young "hidden" female heads of household. Middle-aged and older women have used a strategy of serial monogamy to reduce their vulnerability.

Cisne Dos

Country context. In Ecuador the prosperity of the "oil boom years" of the 1970s was reflected in increasing income per capita between 1972 and 1977, but the onset of recession in 1982 resulted in declining income per capita during the 1980s.

Consolidation history. Cisne Dos is a peripheral settlement 7 kilometers from the central business district of Guayaquil. It was established in the 1970s by young, upwardly mobile families moving from inner-city rental accommodation to acquire 10 by 30 meter plots as de facto home owners. Consolidation occurred between 1970 and 1980, when 75 percent of households acquired their plots by invasion.

Community-based organizations. There have been a number of important community-based programs. Plan Internacional, an internationally funded NGO working in Cisne Dos for some twenty years, has made a major impact through community-managed programs of targeted services, small enterprise support, and vocational training. The UNICEF urban basic services program operated throughout the 1980s and was consolidated in the Red Comunitaria de Desarrollo Infantil, which provided three *hogares comunitarios* (home-based daycare centers) and two larger *centros de cuidado diario* until the program was withdrawn in 1993.

Socioeconomic characteristics. In 1992 Cisne Dos had 10,000 residents, living in 1,800 households. It has a young population, with more than a third under age fourteen. More than three-quarters of the residents are urban-born, and households had lived in the community for an average of twelve years in 1992.

Employment. More than half the employed male population worked in the formal wage sector in 1992, largely in industry and transport. There was a dramatic increase in employment among women between 1978 and 1992, most of whom went into informal sector sales and services. Most of the labor force in Cisne Dos did not complete secondary school.

Upgrading and access to basic services. Upgrading started in the early 1970s with the filling in of the mangrove area, followed by the incremental construction of small bamboo and timber houses standing on poles over polluted water and linked by catwalks. Electricity first reached the Cisne Dos area in 1976, although legal household connections were not obtained until 1978. Access to piped water was provided in 1983–84. Garbage collection was introduced by municipal authorities in 1992 as a result of a cholera outbreak. Education facilities have been developed mainly by the private sector and international NGOs. The first health facilities were publicly run, but by 1992 many private doctors operated in the area. In 1989 a primary health care center was established by the government of President Borja, to compensate for cuts in public health spending during the 1980s.

Key issues

- Long-term investments in economic and social infrastructure by individuals, households, and NGOs raised living standards and reduced vulnerability. Subsequent declines in the quality of and access to infrastructure prompted both poor and nonpoor households to substitute private for public services.
- The main source of vulnerability is the labor market, where the impact of change has been immediate. Increasing casualization of work has affected male wage workers in Cisne Dos, while the increase in residual informal sector work by women reflects their need to supplement household income.
- The impact of labor market change has been cushioned to some extent by changing household structure and by interhousehold reciprocal arrangements. Ownership of housing enabled households to adopt creative strategies, such as home-based enterprises and intergenerational informal plot subdivision—identified as "nesting."

Commonwealth

Country context. The Philippines experienced some economic growth during the 1970s, and although this reversed in the 1980s, it picked up again by the end of the decade.

Consolidation history. Barangay Commonwealth is located in Quezon City, Metro Manila, some 10 to 15 kilometers northwest of the central business district. It was established in the early 1960s on a garbage dump, and its first settlers worked as scavengers. In 1975, after intense community efforts, it was decreed a *barangay*, a basic political unit of the country, and in 1979 it became the government's first Metro Manila Urban Land Reform area. Despite this status, the local government continued to discourage settlement in the community through demolition of houses and threatened eviction until 1987.

Community-based organizations. A variety of church-based and other local organizations have been involved in employment-generating and welfare projects. In addition, an NGO established in 1982—Sama-Sama—was successful in averting evictions by the city government.

Socioeconomic characteristics. In 1992 Commonwealth had a population of 42,000, double its size in 1987. The population is young, with 41 percent under fourteen, and the gender distribution is even. Almost half the residents were rural-born, and households have lived in the community on average for eight years. About 40 percent of the residents arrived between 1981 and 1990, attracted mainly by the prospect of land reform and security of tenure.

Labor and employment. More than half the working population in 1992 earned income from wage work, but only 7 percent in the public sector. Forty-two percent were self-employed, most in informal sector sales. One in three households had a home-based enterprise, which provided on average more than half the household's income. The labor force had an average of nine years of schooling.

Upgrading and access to basic services. Upgrading started in the early 1960s, when "pioneer settlers" constructed makeshift housing from salvaged materials. Units made from permanent materials increased from 65 percent in 1988 to 94 percent in 1992. Government-supplied electricity first reached the area in 1982, and 92 percent of households had electricity, although almost a quarter through illegal connections. Access to water was provided in 1978 but cut off in 1984 because of unpaid bills, so by 1992, 92 percent of the population relied on artesian wells. The sewerage system is rudimentary and the garbage collection system poor and irregular, creating environmental hazards. Schools and health centers, initially mostly private, were established in the early 1980s.

Key issues

- The community has been incrementally upgraded, but investment in housing and community mobilization for improved infrastructure have been deterred by the insecurity of tenure.
- Labor market vulnerabilities have been offset in part by overseas remittances, which help raise household income, and informal sector opportunities, which help cushion the effects of declining income.
- Rural-urban links are still important in structuring social relationships among the urban poor, who maintain complex reciprocal arrangements between households.
- Responses to economic and social crises involve household restructuring. Households split when members take overseas jobs, young "hidden" female household heads live in extended households to reduce their vulnerability, and older female household heads widowed as a result of community violence live in extended units for economic and personal security.

Angyalföld

Country context. In Hungary the economic slowdown in the 1980s was not reflected in per capita income until the end of the decade; after ten years of slight but steady growth, per capita income fell between 1987 and 1992.

Consolidation history. Angyalföld lies about 8 kilometers north of Budapest's central business district. It has been a formally recognized settlement since it was established in the second half of the 1800s to house rural-born migrant workers in the rapidly expanding industrial sector. Most of its residents are tenants in subsidized public sector housing.

Community-based organizations. There is little community-based activity, although the Red Cross and church groups operate welfare programs.

Socioeconomic characteristics. In 1992 Angyalföld had 43,604 residents living in about 17,532 housing units. The first-generation migrant workers were the beneficiaries of the massive housing programs of the socialist state, and 70 percent of units are still rented from the local council. Many workers remained in the community after retiring, and retirees constitute a large proportion (42 percent) of the residents. The community is therefore strongly established, with an average residency of 21.3 years. The most recent arrivals in the community are gypsies, about 20 percent of the population in 1992.

Employment. In 1992 almost two-thirds of workers in Angyalföld were employed in the public sector, less than a third were employed in the private sector, and only 5 percent were self-employed. The biggest employers in the community were the machinery and transport industries. More than a third of the working population was employed in skilled and semiskilled manual work, and about 15 percent in clerical office work.

Upgrading and access to basic services. The physical infrastructure in Angyalföld was modernized in the late 1800s in response to rapid population increases and pressing needs for upgrading, particularly of water and sanitation. Gas mains, electrical networks, and transport were rapidly expanded during this period, and many of the already run-down buildings reconstructed. The first educational facilities were built in the late 1800s—barracks used as schools for the industrial workers' children. In 1912 the first major health facility, the Alice Weiss Hospital, was built. In 1992, 60 percent of the housing stock was reportedly in need of urgent repair, and most units were unsalable and of substandard quality.

Key issues

- Angyalföld continues to rely on century-old infrastructure that is rapidly deteriorating, especially the housing.
- The high dependence on state provision has meant that in the process of transition and economic reform, some households have become more vulnerable than others. Elderly retirees survive solely on a pension income that has been eroded by inflation and the increasing costs of urban services. Young couples with small children are particularly dependent on social income transfers.
- Household restructuring during the post-socialist transition is a response to changes in state income transfers and in labor markets as well as to internal life-cycle changes. Young unemployed adults become dependents in extended households headed by pensioners, and divorcées and widows avoid remarrying in order to remain eligible for state benefits.

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Appendix 2

Research Methodology and Analysis

This comparative community study, which used the residential community as the basis for longitudinal analysis, utilized both sociological and anthropological methodologies. Three features distinguish it from other poverty studies: a micro-level approach combining households and communities as the major units of analysis, an unusually long period of observation for some communities and households, and a comparative framework offering four cases with very different economic development levels and institutional contexts.

This appendix describes the research methodology used in the project. It outlines the creation of the longitudinal database and describes the research design of the 1992 study, which consisted of a community survey, a random sample survey, and a subsample survey. Finally, it describes the sampling methodology used in selecting households for the random and subsample surveys (see Moser, Gatehouse, and Garcia 1996 for a detailed source book on the research methodology).

Construction of the Longitudinal Community Panel Database

As a community panel data study exploring changes within a poor community over a defined period, the research required identifying communities in which household surveys had previously been undertaken that, together with resurveys, could be used to create a longitudinal database. In each case study, therefore, the community was defined in terms of a spatially delineated area with precise boundaries. The optimal data set for analyzing longitudinal trends is a panel in which the same people are reinterviewed using a standardized methodology. Such studies are enormously expensive, however, and would be a luxury in most contexts. This study represents a compromise: it is a panel of communities rather than of households that builds on data sets collected during the late 1970s and the 1980s.

Appropriate studies conducted during the previous fourteen years were identified for all the communities but Angyalföld (table A2.1). Although it was not possible to find case studies perfectly identical in research methodology, sampling strategy, and survey content, the studies selected provided sufficiently comparable data to allow longitudinal analysis. In each country collaboration with the researchers was necessary to ensure access to their data sets.

Although the limited availability of suitable earlier studies meant that the trend comparisons were not entirely compatible in the periods covered, the following trend data sets were constructed:

Table A2.1. Longitudinal community panel databases used

Community	*Researcher*	*Year of study*	*Sample size (households)*	*Main focus*
Chawama (Lusaka, Zambia)	Carole Rakodi	1978	302	Evaluation of slum upgrading program
	Caroline Moser in collaboration with Educational Research Bureau, University of Zambia	1978	210	Coping strategies of poor households
Commonwealth (Metro Manila, Philippines)	Orville Solon	1988	312	Health and housing issues
	Caroline Moser in collaboration with Center for Women's Resources, University of the Philippines	1992	200	Coping strategies of poor households
Cisne Dos (Guayaquil, Ecuador)	Caroline Moser	1978	244	Coping strategies of poor households
	Caroline Moser	1988	141	Coping strategies of poor households
	Caroline Moser in collaboration with Cisne Dos community members	1992	263	Coping strategies of poor households
Angyalföld (Budapest, Hungary)	Caroline Moser in collaboration with the Institute of Sociology, Hungarian Academy of Sciences	1992	176	Coping strategies of poor households

- 1978–92 long-term comparative trend data for Chawama and Cisne Dos
- 1988–92 short-term comparative trend data for Cisne Dos and Commonwealth.

Trend data for Angyalföld were not available.

A core set of variables common to all questionnaires provided the basis for longitudinal trend analysis. Twenty-four variables relating to household socioeconomic characteristics and eighteen relating to housing and basic services were identified (table A2.2).

Despite the availability of this core set of common variables, a number of data limitations occurred that should be highlighted. Differences in trend time scale, for instance, had implications for the interpretation of changes in labor force participation, household structure, and basic services. In addition, variations in survey content meant that precise, across-the-board comparability could not be achieved for some key variables.[28]

Chawama Data

The community panel data for Chawama were drawn from the housing and urban development study undertaken in 1978 by Carole Rakodi of the University of Wales. This study was part of an evaluation by the World Bank and the International Development Research Centre (IDRC) of the World Bank–assisted upgrading program in Chawama, one of the major squatter communities in Lusaka. Rakodi's research covered Chawama Main and Chawama Overspill. The main sample survey collected information on the socioeconomic characteristics of the residents of the upgraded areas, their housing conditions, and their access to social and physical infrastructure. A total of 309 households were interviewed. In 1992 Carole Rakodi attended the first research workshop in Washington, D.C., and assisted the Zambian team in drawing up the mapping procedures.

Commonwealth Data

Data for Commonwealth came from a Housing and Health Survey undertaken in 1988 by Orville Solon of the University of the Philippines that covered 312 households. Although the survey had limitations as a result of its focus on health and housing issues and on households with children under age six, it did have basic socioeconomic data that were broadly compatible. Solon's survey was one of the few suitable studies conducted in Metro Manila outside the Tondo Foreshore area. Moreover, Solon's collaboration included invaluable assistance at the mapping stage.

Cisne Dos Data

Data for Cisne Dos were provided by longitudinal research by Caroline Moser, then at the London School of Economics, that examined

Table A2.2. Core variables for longitudinal analysis from previous studies in the four research communities

	Cisne Dos		*Commonwealth*	*Chawama*	*Budapest*[a]
	1978	*1988*	*1988*	*1978*	*1987*
Household level					
Socioeconomic characteristics					
Household size	Y	Y	Y	Y	Y
Household type	Y	Y	Y	Y	Y
Age of household head	Y	Y	Y	Y	Y
Number in household economically active	Y	Y	Y	Y	Y
Primary employment of household head	Y	Y	Y	Y	Y
Household monthly income	Y	Y	Y	Y	Y
Household monthly income per capita	Y	Y	Y	Y	Y
Sex of household head	Y	Y	Y	Y	Y
Marital status of household head	Y	Y	Y	Y	Y
Place of origin of household head	Y	Y	Y	Y	
Education level of household head	Y		Y	Y	Y
Years of education of household head	Y		Y		
Number of children in household	Y	Y	Y	Y	Y
Number of children under 5 in household	Y	Y	Y	Y	Y
Number of children aged 5–12 in household	Y	Y	Y	Y	
Number of children aged 13–21 in household	Y	Y	Y	Y	
Type of medical assistance when last ill		Y		Y	
Housing and infrastructure					
Tenure of house	Y	Y	Y	Y	Y
How long in house	Y	Y	Y	Y	Y
Cost of house plot	Y	Y	Y		
Cost of house	Y	Y	Y	Y	
House cost per capita	Y	Y	Y	Y	
Rent per month	Y	Y	Y	Y	Y
Ratio of rent to total household income	Y	Y	Y	Y	Y
Size of house (square meters per person)	Y	Y	Y	Y	Y
Size of house plot (square meters)	Y	Y	Y	Y	Y
Size of house (square meters)	Y	Y	Y	Y	Y
Electricity connection	Y	Y	Y		
Drinking water	Y	Y	Y	Y	
Type of toilet facility	Y	Y	Y	Y	Y
Type of construction	Y	Y	Y	Y	Y
Legal title to property	Y	Y	Y		
Number of rooms in house	Y		Y	Y	Y
Main mode of transport to work			Y	Y	
Cost of trip to work			Y	Y	
Individual level					
Age	Y	Y	Y	Y	Y
Sex	Y	Y	Y	Y	Y
Status in household	Y	Y	Y	Y	Y
Place of origin	Y	Y	Y		
Education level	Y	Y	Y	Y	Y
Years of education	Y		Y		
Primary employment	Y	Y	Y	Y	Y

Note: Y indicates that data are available.

a. Budapest-level data were used for Angyalföld.

the coping strategies of low-income households in the community first in 1978 and then in 1988. In the first study, based on anthropological techniques of participant observation as well as sociological surveys, the researcher lived in the community for eight months and conducted a sample survey of 244 households. The survey identified households in different *manzanas* (blocks) and at equal distances from one another to reflect the historical consolidation process in the community. Further anthropological fieldwork was done in January 1981 and August 1982, and a second study of the community was conducted in 1988, again based on participant observation, as well as a household survey with a sample of 141 households. In 1988 a semistructured subsample questionnaire was administered to 33 households in the sample that were representative of the different types of household in Cisne Dos.

Angyalföld Data

In Budapest, Hungary, there was no adequate micro-level study. The only appropriate data were from the 1987 national household survey by the Central Statistical Office, and from the 1990 census of Budapest and of the XIII District in which Angyalföld is located. The community studied includes both old and new housing estates and is considered to be adequately representative of low-income urban households in Budapest.

Problems Encountered in the Field Surveys

In Chawama, Cisne Dos, and Commonwealth the rejection rate in the 1992 survey was low, mainly because of adequate field training and data collection procedures provided by the research teams. Less than 4 percent of sampled households refused to be interviewed, and all those selected for the subsample survey agreed to be reinterviewed. In Angyalföld, where letters requesting an interview were sent to 208 households randomly selected from the 1990 national census for the XIII District of Budapest, the rejection rate was 40 percent, resulting in a smaller sample that was biased toward households with elderly pensioners. Similarly, in the subsample survey a large number of the households selected refused to be reinterviewed.

In-country logistical problems not anticipated in the research design phase caused delays in the data collection and processing. The research team in Commonwealth experienced frequent power outages, and the team in Chawama was beset by logistical and other problems due to an extended university strike. In Angyalföld field management problems resulted in high staff turnover on the research team that contributed to delays.

In addition, severe skill limitations caused problems in data entry and cleaning. These problems related primarily to coding procedures: despite detailed coding schemes provided, the research teams did not follow a number of the prescribed procedures in coding important variables, such as household type and type of occupation. As a result of a lack of rigor in checking internal inconsistencies, the Washington-based team had to spend substantial unprogrammed time undertaking a complete round of cleaning to ensure data quality and reliability.

Research Tools

The 1992 study involved a two-stage data collection process that consisted of contextual research followed by the survey. In the contextual research stage two background papers were prepared for each case study country by a local researcher drawing on local documentation and a World Bank consultant drawing on relevant World Bank materials. The first paper reviewed national and urban-level economic reforms, and the second reviewed urban social policy.

In the second phase primary data were collected using the three survey instruments: the community survey, the random sample survey, and the subsample survey (table A2.3). The methodology, first tested in a study in Guayaquil in 1988,[29] allowed data collection on the relationships between individuals within households, as well as between households within the community. All the research teams used an identical fieldwork methodology to allow for contrasts and comparisons across case studies.

The random sample survey was the main research tool used to identify basic socioeconomic characteristics at the household and intrahousehold levels. The same questionnaire was used in all four research communities, though with slight variations to accommodate country-specific characteristics, such as the durable goods owned in each country.

The subsample survey was a semistructured, in-depth interview carried out with women in about thirty households selected from the random sample on the basis of several criteria (table A2.4). The subsample survey provided important data on household

Table A2.3. Main types of information obtained through the surveys

	Sample survey	
Roster of household members	*Data on individual members*	*Household-level data*
• Sex • Household status • Age • Marital status • Enrollment status	• Place of birth • Date of arrival in city • Care of child while working • Education • Employment • Income from employment • Travel time to work • Household roster of participation in household tasks (such as cooking, washing, and cleaning) • Participation in community activities outside household	• Income from all assets • Borrowing, credit, and debt • Assistance from programs • Household enterprise • Domestic food production • Use of health services • Housing occupancy, tenure, costs, construction, and repairs • Access to and cost of basic services • Fuel consumption and cost • Key consumer goods owned
	Subsample survey	
• Household changes since 1982 • Fertility history and family planning decisions • School dropouts and payments • Typical household activity in 24-hour period • Consumption and household budgeting • Income transfers • Major changes in cost or availability of goods and services	• Intrahousehold decisionmaking on expenditures • Home production • Other land • Credit • Major loans • Women's opinions on such social problems as male drinking, wife beating, drug use, and community violence	
	Community survey	
• General information • Transport • Physical and demographic information ° Name and spatial definition ° Location relative to the central business district ° Jurisdictional status of the community ° History of the community ° Size of the community ° Pattern of land tenure ° Types of housing construction	° Threat of eviction ° Patterns of migration ° Mode of transport ° Transport changes and problems • Roads and paving • Basic services ° Electricity ° Water ° Sewerage system and garbage disposal ° Access to physical and social infrastructure	

restructuring, intrahousehold decisionmaking and resource allocation, and changes in consumption and expenditure-minimizing strategies. For example, a matrix allowed households to document all changes in household composition over a ten-year period, and an open-ended question produced detailed descriptive notes on the main reasons for any household restructuring. The subsample survey also provided detailed qualitative information on household strategies during periods of economic difficulty.

The community survey, undertaken through interviews with key informants and observation, provided a description of the community's historical development and socioeconomic and demographic profile and the availability, accessibility, quality, and cost of various services in the community.

Sampling Methodology

Selection of Households for the Random Sample Survey

In all four communities a sample of 200 to 250 households was determined to be the size needed to produce statistically reliable data. Given the consolidation history of the research communities, a map or cadastral survey was identified as the most appropriate frame. Where available maps did not include the necessary information, the research teams delineated and enumerated the blocks, or *manzanas*, to produce an accurate, up-to-date frame. Upon completion of this mapping process, a sample of blocks was then selected using random number tables (box A2.1).

Box A2.1. Mapping methodology in the research communities

In Chawama, which was divided into two areas—the old, upgraded area and the new, overspill area—the sample of blocks was stratified to ensure adequate representation of each area. Ten blocks were randomly selected in proportion to the distribution of the population—seven from Chawama Main, the older, upgraded area, and three from the newer Chawama Overspill.

In Commonwealth a map of the research community and the nearby National Government Center was obtained from an architectural firm building a housing project in the area. Commonwealth consists of six units, each divided into sections called *puroks*. Because the community is heterogenous, it was considered desirable to cover various *puroks*. The random selection process selected ten out of thirty *puroks* for the random sample.

In Cisne Dos it took four person-days to elaborate an accurate map of the six-block area from which the sample was selected. The six blocks, all surveyed in 1978 and 1988, include consolidated areas with landfill, water, and electricity, as well as areas still on catwalks extending into the mangrove swamps.

In Angyalföld the research team did not undertake any mapping procedures. It used the 1990 census as the sample frame, randomly selecting twenty-six census units, each consisting of a block of houses or multistory buildings.

The buildings in each of the selected blocks were then counted and numbered (box A2.2). Careful inspection was required to ensure that no buildings were missed and that if the numbers allocated differed from the street or block numbering system, clear descriptions of the buildings were recorded to ensure that interviewers could locate them without difficulty during the survey. If buildings normally contained only a single household, random number tables were used to select the appropriate number of buildings in each block. For buildings with more than one household, all the households were included in the roster of respondents.

Selection of Households for the Subsample Survey

Community-specific issues arising out of a preliminary analysis of the random sample data were used to identify the criteria for selecting

Box A2.2. Random sampling methodology in the research communities

In Chawama Main, where the total sample comprised 210 households, ten buildings in seven selected blocks were randomly selected, for a total of seventy buildings from the area. Prior to the selection, buildings were visually checked, and any buildings not conforming to the numbering system were added to the list. In each of the three blocks in Chawama Overspill ten plots were randomly chosen. Random number tables were used to select the buildings and the plots. All households in the buildings selected were included in the roster of respondents. Locating blocks and buildings was a difficult process, particularly in Chawama Main because there were no clear block boundaries. A substitution had to be made for one block that could not be located despite the help of a local resident.

In Commonwealth, where the sample consisted of 200 households, careful consideration was given to how many respondents should be selected in each unit to ensure a number proportionate to the population, as well as geographical representation.

In Cisne Dos 263 households were randomly selected from the six blocks identified in the area. Decisions had to be made on the spot about whether multistory buildings contained more than one residential unit. While all possible care was taken to exclude nonresidential properties, some commercial properties were recorded. In addition, some double-counting was discovered during the survey's implementation. In the interviewing stage a few houses built at the back of a *solar*, or plot, could not be located.

In Angyalföld the original sample size of 208 households was reduced to 176 because of the high rejection rate. Eight apartments were chosen in each building within the selected census units, and four additional units were identified as "reserve" households, many of which were used in the substitution process.

Table A2.4. Criteria for selecting subsample households

Chawama	*Commonwealth*	*Cisne Dos*	*Angyalföld*
Household structure	Household structure	Household structure	Household structure
Different spatial areas	Household size	Household size	Household size
Housing tenure	Different spatial areas	Housing type	Different spatial areas
	Different income levels	Female-headed household	Different income levels
	Employment levels		Employment categories
	Remittances		Housing type

households for the subsample (table A2.4). In Chawama, for instance, where housing tenure is an important issue because of the highly regulated housing market, both owners and renters were selected. In Commonwealth overseas remittances are an essential source of income, so it was important to include households with absent members. In Cisne Dos "hidden" female headship was identified as important, and in Angyalföld, where poor households live in rundown flats, the quality of housing is an issue, so in both communities women in different types of circumstances and in different types of housing were chosen. In all four communities household structure was identified as an important variable. Another important consideration was the willingness of respondents to engage in a second round of interviews, given the length of time required and the sensitive nature of some of the questions.

Analytical Techniques

The four most important tools of analysis used in the study were statistical analysis using Statistical Package for the Sound Sciences (SPSS) and quantitative surveys, analysis of qualitative data, intrahousehold time allocation analysis, and household vulnerability analysis. The last two were developed specifically for the study—and therefore it is useful to describe them more fully.

Table A2.5. Data sources used in the analysis

Issue	*Random sample survey*	*Subsample survey*
Socioeconomic profile of the household	Demographic and socioeconomic status of household members; age structure; household size; household structure; dependency ratio	In-depth qualitative information on changes in structure and reasons for changes over 10-year period; intrahousehold decisionmaking about fertility
Access to and reliability of household employment and income	Sources of income (main and supplementary income in kind, household enterprises); remittances; credit; income earners; types of occupation; social security benefits	Income transfers; sources of credit; intrahousehold decisionmaking on expenditures; household budgets
Work patterns of household members and balancing of gender roles	Information on the triple role (productive, reproductive, and community managing tasks); gender division of labor	Typical 24-hour household activity; changes in household composition and structure over time; implications for gender division of labor; domestic violence
Access to and reliability of housing and facilities	Physical attributes of housing; tenure patterns and perceptions; length of stay; migration history; lending for housing; density (nesting); household expenditure on housing	Perception on changes in cost and availability of goods and services
Access to and reliability of physical and social services, and community and personal safety	Education level of members; type of institution; health facilities used; expenditures on tuition fees and related costs; type of services used and expenditure on transport; water and household energy	Qualitative data on school dropouts; problems in payment of school expenses; changes in cost of goods and services; perception on reliability of services; perception on social problems such as domestic violence, male drinking, drug abuse, and community violence

For the intrahousehold time allocation analysis, the random sample survey identified the reproductive tasks and community activities undertaken by each member of the household and the time spent in those activities. Reproductive tasks included cooking breakfast, cleaning the house, washing clothes, buying food, cooking the midday meal, cooking the evening meal, looking after animals, taking children to school, fetching water, fetching fuel, undertaking house maintenance, disposing of rubbish, and looking after domestic animals. Childcare was not included because of the difficulty in estimating time spent on childcare as an exclusive activity, due to the complexity of measuring labor intensity. The household activity schedule collected in the subsample provided a useful benchmark for identifying important household activities in a typical twenty-four-hour day.

Community activities included those relating to church, women's groups, community groups, parent-teacher associations, trade unions, political parties, youth and sports groups, and NGO activities. The frequency of participation was reported for each activity.

Subcategories were also calculated, by grouping tasks into those done at home and those done outside the home. These provided the basis for analyzing functional and spatial dimensions of intrahousehold time allocation.

The household vulnerability analysis used subsample data on household restructuring over a ten-year period. The procedure involved a "qualitative mapping" process that required identifying household composition at two static points, plotting major household changes during the intervening period, and categorizing the causes of change as external or internal factors. The number of changes that occurred was then estimated for each household in the subsample. Internal factors identified included birth, death, marital conflict, and needs for childcare. External factors included problems of access to adequate shelter, space, or housing; employment abroad; lack of income; problems of access to adequate education and health care; and lack of security.

Community survey	*Social policy paper*	*Macroeconomic paper*
Main employers in the community; social and political organizations	Poverty profile describing demographics at the urban level (for representativeness analysis); population and family planning policy and its relationship to family size; health policy	Levels of poverty and welfare; changes in macroeconomic policies
Main employers and occupations; community-level projects with income-generating components	Urban poverty; migration; growth of informal sector	Movement of labor toward low-productivity jobs; employment and unemployment trends; trends in real wages; labor force participation rates; changes in informal sector employment; overseas employment
Community projects and organizations and the relative involvement of men and women	Changes in services; women in the informal sector; social action programs; childcare support programs	Cuts in social spending; women's increased labor force participation
Patterns of land tenure; pattern of housing, spatial distribution; threats of eviction; history of growth of the community	Housing provision policy and budgetary allocations; nature of housing and land markets	Cuts in public expenditure on housing and facilities
Level of service provision; who provides, funds, and maintains services; reliability of services; initiatives in response to unreliable services	Trends in expenditure cuts; user fees and link to household expenditure patterns	Trends in expenditure

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Table A2.5 summarizes the data gathered with each research tool that were used to address specific research issues in the analysis.

Research Process

Given the importance of ownership of the research topic by national researchers, the project was a collaborative effort in all four stages. Research fieldwork was undertaken by in-country women's NGOs or research groups working collaboratively with the World Bank research team. Some sixty professionals were involved in the project. Each team included sociologists, anthropologists, economists, and statisticians. Community residents and local teachers participated in the data collection phase, and local staff with computing skills performed data entry and processing. The Guayaquil fieldwork was undertaken by Caroline Moser together with two consultants and women living in the community.

It is important to emphasize that the project's objective was not simply to complete a series of products. The project was intended to be an interactive process with local researchers. It was therefore designed to include consultation and capacity building components at different stages during which researchers shared analytical and methodological techniques with one another. Drafts of questionnaires were pilot-tested in-country by local teams, and the final version was completed in a collaborative process at the Washington, D.C., preparation workshop. Mid-term field workshops were held to share preliminary results and to build further research capacity for the next stages of the project. The final workshop in Washington, D.C., provided an opportunity to share preliminary results.[30]

As a collaborative process, the project faced a number of constraints, most relating to local research capacity. While additional in-country supervisory workshops, for instance, helped enhance local capacity for data cleaning and entry, it was nevertheless necessary for the Washington core team to carry out substantial data cleaning. By far the most important lesson learned was that local research teams have limited analytical capacity. While field reports provided useful descriptive background documents, the four final case studies were drafted in their entirety at Bank headquarters with the assistance of three short-term consultants.

Appendix 3

Analysis of Poverty in the Research Communities

In analyzing poverty, the study used country-specific poverty lines to provide a suitable benchmark for estimating poverty incidence in each community. Although poverty lines can give only a static picture of poverty, they are an essential starting point. Because of the small sample size, it was then necessary to show how each community fitted into broader trends by comparing its poverty incidence with estimates for the national, urban, and city populations.

Country-Specific Poverty Lines

The Chawama and Cisne Dos analyses used the urban poverty lines defined in the World Bank's poverty assessments for Zambia and Ecuador. The Commonwealth study used the 1992 poverty line defined by the National Economic Development Authority of the Philippines. In Angyalföld the 1992 *subsistence minima* estimated by the Hungarian Central Statistics Office was used.

In Chawama the poverty line used was 2,663 kwacha per male adult equivalent per month, a CPI-adjusted estimate based on the absolute poverty line of 1,380 kwacha per male adult equivalent per month, defined in the World Bank's 1991 Zambia priority survey undertaken for the Zambia poverty assessment. The difference in food prices between the October–November 1991 priority survey and the February–June 1992 Chawama random survey had to be accounted for, resulting in an adjustment factor of 1.93. This adjustment factor was then multiplied with the earlier poverty line of 1,380 kwacha, arrived at by dividing the cost of the food basket for an adult equivalent person (962 kwacha) by the average household expenditure on food (70 percent).

In Cisne Dos the poverty line was 84,243 sucres per capita per month, estimated in the Ecuador poverty assessment for the urban Costa region. The urban food bundle defined by the Instituto Nacional de Estadisticas y Censo (INEC) was redefined to provide an appropriate food basket equivalent to a daily nutritional intake of 2,150 calories. The cost of the food basket was then estimated using unit price data from the INEC Price Index Division. Urban-rural and interregional differences in the basic food basket were taken into account, as well as spatial differences in food prices, to define a poverty line consistent with local consumption patterns and prices. The share of food in the budget of the urban poor was estimated to be 48.7 percent, using the 1991 urban household budget survey (see World Bank 1995a).

In Commonwealth the poverty line was equivalent to 616 pesos per capita per month. It was based on the government-defined poverty line of US$145.00 for a family of six (1991 prices), reflecting a modified consumption basket that excludes cigarettes and alcohol.

In Angyalföld the poverty line of 7,000 forints per capita per month was based on the 1992 urban estimates provided by the Central Statistics Office in Budapest.

Poverty Incidence at Different Spatial Levels

The poverty incidence in each community was compared with the incidence in the national population, national urban population, and city population to provide a broader context for the poverty analysis in the community. The results showed that, in all the research communities, the proportion of households living below the poverty line was higher than in the national urban population (table A3.1)

A comparison of indicators on basic socioeconomic characteristics, such as age and sex distribution, occupational structure, and education levels, showed broad similarities between the research communities and the national urban populations. These findings are discussed in greater detail in the case studies.

Table A3.1. Poverty incidence by spatial level in the four research countries
(percentage of households)

Survey and spatial level	*Poor*
Zambia	
1991 Priority survey: national	68
1991 Priority survey: all urban	46
1991 Priority survey: Lusaka	17
1992 Chawama sample survey	55
Philippines	
1990 Poverty determination group: national	20
1990 Poverty determination group: all urban	12
1990 Poverty determination group: Metro Manila	5
1990 Poverty determination group: all urban	37
1990 Poverty determination group: Metro Manila	15
1991 Commonwealth sample survey	24
Ecuador	
1991 INEM-UNICEF poverty study: national	63
1991 INEM-UNICEF poverty study: all urban	70
1992 Cisne Dos sample survey	77
Hungary	
1987 Household budget survey: national	14
1988 Income survey: Budapest	4
1989 Household budget survey	14
1992 Angyalföld sample survey	18

Note: Detailed technical notes on the data sources are provided in each of the case studies.

Appendix 4

Community and Country Data

Table A4.1. Average annual inflation rate in the case study countries, 1970–92
(percent)

Country	*1970–80*	*1980–92*
Zambia	7.6	48.4
Philippines	13.1	14.1
Ecuador	13.8	39.5
Hungary	2.8	11.7

Source: World Bank 1994c.

Table A4.2. Gross national income per capita in the case study countries, selected years, 1972–92
(1987 U.S. dollars)

Country	*1972*	*1977*	*1982*	*1987*	*1992*
Zambia	540	320	220	240	220[a]
Philippines	520	610	670	570	610
Ecuador	740	1,180	1,220	1,000	1,000
Hungary	—	2,050	2,190	2,360	1,990

— Not available.
a. 1990.
Source: World Bank 1993c.

Table A4.3. Income by source in the research communities, 1992
(percent)

Community	*Wages*	*Home-based enterprises*	*Rent*	*Remittances*	*State transfers and other[a]*
Chawama	50.3	40.1	4.8	4.7	0.1
Commonwealth	60.8	26.9	0.8	7.1	4.4
Cisne Dos	63.0	28.9	3.4	2.0	2.7
Angyalföld	44.8	1.1	0.2	0.4	53.5

a. Other includes NGO contributions in cash (for children's education) and kind (food, medicine, and clothing).

Table A4.4. Women's earnings as a share of men's earnings in the research communities, 1992
(percent)

Community	*Formal sector*	*Informal sector*	*All*
Chawama	120.3[a]	53.5	88.5
Commonwealth	93.7	68.0	84.2
Cisne Dos	68.8	46.4	53.3
Angyalföld	91.0	100.9	95.8

a. Not statistically significant.

Table A4.5. Formal and informal sector employment by sex in the research communities, 1992
(percent)

	Male		*Female*		*All*	
Community	*Formal*	*Informal*	*Formal*	*Informal*	*Formal*	*Informal*
Chawama	63.0	37.0	19.0	81.0	47.9	52.1
Commonwealth	61.5	38.5	34.5	65.5	53.0	47.0
Cisne Dos	54.5	45.5	26.5	73.5	45.5	54.5
Angyalföld	89.3	10.7	95.3	4.7	92.1	7.9

Note: Unless otherwise cited, all data in this appendix are from the 1992 random sample survey.

Table A4.6. Formal and informal sector employment by occupational group and sex in Chawama, 1992
(percent)

	Informal sector			*Formal sector*		
Occupational group	*Male*	*Female*	*All*	*Male*	*Female*	*All*
Professional and technical	0	0	0	3.9	10.0	4.7
Managerial and administrative	2.6	1.2	1.8	4.7	0	4.0
Sales	60.5	94.2	78.4	8.5	15.0	9.4
Clerical	0	1.2	0.6	15.6	40.0	18.8
Craft	18.4	0	8.6	29.5	5.0	26.2
Operative (excluding transport)	2.6	0	1.2	5.4	0	4.7
Transport equipment operators	5.4	0	2.5	16.3	0	14.1
Laborers (excluding farm)	7.9	0	3.7	3.1	10.0	4.0
Service workers (excluding private household workers)	2.6	3.4	3.2	13.2	20.0	14.1
Private household workers	0	0	0	0	0	0
	100.0	100.0	100.0	100.0	100.0	100.0
Total	(76)	(86)	(162)[a]	(129)	(20)	(149)

a. Excludes one case.

Table A4.7. Employment by occupational group and sex in Cisne Dos, 1978 and 1992
(percent)

	1978			*1992*		
Occupational group	*Male*	*Female*	*All*	*Male*	*Female*	*All*
Professional and technical	1.5	2.0	1.5	2.4	6.5	3.8
Managerial and administrative	0.5	0	0.5	1.0	0	0.7
Sales	24.0	32.0	26.0	17.8	31.3	22.3
Clerical	4.0	0	3.0	3.8	6.5	4.7
Craft	44.5	17.5	37.0	33.6	2.1	23.1
Operative (excluding transport)	10.0	2.5	8.0	7.4	12.0	8.8
Transport equipment operators	4.0	0	3.5	10.0	0	6.7
Laborers (excluding farm)	1.5	0	1.5	11.9	0	7.9
Farm managers and laborers	4.0	1.0	3.0	5.6	3.2	4.9
Service workers (excluding private household workers)	5.0	3.5	4.5	6.5	9.2	7.4
Private household workers	1.0	41.5	11.5	0	29.2	9.7
	100.0	100.0	100.0	100.0	100.0	100.0
Total	(315)	(112)	(427)	(370)	(185)	(555)

Table A4.8. Employment by type of employer and by occupational group in Angyalföld, 1992
(percent)

Occupational group	*Public sector*	*Private sector*	*Self-employed*	*All*
Professional and technical	24.7	12.3	33.3	20.7
Managerial and administrative (excluding farm)	1.2	4.1	—	2.2
Sales	6.2	10.3	33.3	8.9
Clerical	16.1	16.3	0	15.4
Craft	3.4	22.4	16.7	11.0
Operative (excluding transport)	4.9	10.2	0	6.6
Transport equipment operators	4.9	6.1	0	5.1
Laborers (excluding farm)	7.4	2.0	0	5.1
Service workers (excluding private household workers)	30.9	14.3	16.7	24.3
Private household workers	0	2.0	0	0.7
	100.0	100.0	100.0	100.0
Total	(81)[a]	(49)	(6)[b]	(136)

— Not available.
a. One missing case.
b. Three missing cases.

Table A4.9. Employment of heads of household and spouses by occupational group in Commonwealth, 1988 and 1992
(percent)

	1988		*1992*	
Occupational group	*Household heads*	*Spouses*	*Household heads*	*Spouses*
Professional and technical	1.5	2.5	1.0	1.5
Managerial and administrative	1.5	0.0	2.0	1.5
Sales	19.0	35.0	20.0	55.0
Clerical	1.5	1.0	3.5	4.5
Craft	28.5	3.5	28.5	5.5
Operative (excluding transport)	7.0	7.0	7.0	13.5
Transport operators	16.0	7.0	15.5	1.5
Laborers (excluding farm)	8.5	2.5	10.0	2.5
Service workers (excluding private household workers)	14.0	5.0	10.5	6.5
Private household workers	2.5	36.5	1.0	8.0
	100.0	100.0	100.0	100.0
Total	(292)	(83)	(179)	(74)

Source: 1988 and 1992 random sample surveys.

Table A4.10. Employment by occupational group and sex in Chawama, 1978 and 1992
(percent)

	1978			*1992*		
Occupational group	*Male*	*Female*	*All*	*Male*	*Female*	*All*
Professional and technical	5.0	0	4.5	2.5	2.0	2.0
Managerial and administrative	0.5	0	0.5	4.0	0	2.5
Sales	13.5	58.0	18.0	28.0	79.0	45.0
Clerical	8.0	6.0	7.5	10.0	8.5	9.5
Craft	16.5	4.0	15.0	25.5	2.0	17.5
Operative (excluding transport)	3.0	0	2.5	4.0	0	3.0
Transport equipment operators	9.0	2.0	8.5	12.0	0	8.0
Laborers (excluding farm)	23.0	2.0	21.0	5.0	2.0	4.0
Farmers, forestry workers, fishermen	0.5	0	0.5	0	0	0
Service workers (excluding private household workers)	18.0	10.0	17.0	9.0	6.5	8.5
Private household workers	1.5	8.0	2.5	0	0	0
Not stated	1.5	10.0	2.5	0	0	0
	100.0	100.0	100.0	100.0	100.0	100.0
Total	(461)	(50)	(511)	(206)	(106)	(312)

Source: 1978 and 1992 random sample surveys.

Table A4.11. Working conditions in the formal and informal sectors by sex in Cisne Dos, 1992

	Informal sector		*Formal sector*	
	Male	*Female*	*Male*	*Female*
Average monthly income (sucres)	167,818	77,793	152,216	104,738
Hours worked per week	43	39	46	43

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Table A4.12. Education level of household heads by sex in Chawama, 1978 and 1992
(percent)

	1978			1992		
Education level	*Male*	*Female*	*All*	*Male*	*Female*	*All*
No education	16.0	47.0	18.0	9.5	32.0	12.0
Incomplete primary	31.0	23.5	30.5	12.0	22.5	13.0
Complete primary	21.5	20.5	21.5	25.0	18.0	24.5
Incomplete secondary	25.5	6.0	24.0	37.5	18.5	35.5
Complete secondary	3.5	0	3.5	15.5	9.0	14.5
Tertiary	0	0	0	0.5	0	0.5
Not stated	2.5	3.0	2.5	0	0	0
	100.0	100.0	100.0	100.0	100.0	100.0
Total	(456)	(34)	(490)	(188)	(22)	(210)

Source: 1978 and 1992 random sample surveys.

Table A4.13. Education level of employed household heads and spouses in Cisne Dos, 1978 and 1992
(percent)

	1978			1992		
Education level	*Household heads*	*Spouses*	*All*	*Household heads*	*Spouses*	*All*
No education	8.5	11.5	9.0	3.5	3.5	3.5
Incomplete primary	33.0	46.0	36.0	28.0	21.0	26.0
Complete primary	42.5	34.5	40.5	29.5	35.5	31.5
Incomplete secondary	13.5	6.5	12.0	27.0	31.0	28.0
Complete secondary	0.5	0	0.5	7.5	7.0	7.0
Tertiary	2.0	1.5	2.0	4.5	2.0	4.0
	100.0	100.0	100.0	100.0	100.0	100.0
Total	(228)	(64)	(292)[a]	(237)	(91)	(328)[b]

a. Nineteen did not state their level of educational attainment.
b. Five did not state their level of educational attainment.
Source: 1978 and 1992 random sample surveys.

Table A4.14. Education level of adult population by sex in Chawama, 1992
(percent)

Education level	*Male*	*Female*	*All*
No education	8.0	14.0	11.0
Incomplete primary	14.5	24.0	19.0
Complete primary	32.0	36.0	34.0
Incomplete secondary	32.5	22.0	27.5
Complete secondary	12.0	3.5	8.0
Tertiary	1.0	0.5	0.5
	100.0	100.0	100.0
Total	(318)	(307)	(625)

Table A4.15. Education level of adult population by sex in Cisne Dos, 1992
(percent)

Education level	*Male*	*Female*	*All*
No education	2.2	2.6	2.4
Incomplete primary	19.2	20.5	19.8
Complete primary	22.6	21.8	22.2
Incomplete secondary	40.6	34.1	37.4
Complete secondary	10.6	18.4	14.4
Tertiary	4.8	2.6	3.7
	100.0	100.0	100.0
Total	(463)	(454)	(917)

Table A4.16. Education level of adult population and employed population in Commonwealth, 1992
(percent)

	Adult population			Employed population		
Education level	*Male*	*Female*	*All*	*Male*	*Female*	*All*
No education	0.5	1.0	1.0	1.0	0	0.5
Incomplete primary	9.0	9.0	9.0	11.0	18.5	10.0
Complete primary	19.0	18.0	18.5	21.0	8.5	20.5
Incomplete secondary	16.0	20.5	18.0	11.0	13.5	11.5
Complete secondary	29.0	28.0	28.5	30.0	26.5	29.0
Tertiary	26.5	23.5	25.0	26.0	33.0	28.5
	100.0	100.0	100.0	100.0	100.0	100.0
Total	(345)	(334)	(679)	(242)	(120)	(362)

Table A4.17. Education level of adult population by sex in Angyalföld, 1992
(percent)

Education level	*Male*	*Female*	*All*
Primary	16.7	41.8	26.3
Secondary	30.5	32.8	31.4
Tertiary	52.8	25.4	42.3
Total	100.0	100.0	100.0

Table A4.18. Average years of schooling of household head by poverty group in the research communities, 1992

Community	*Nonpoor*	*Poor*	*All*
Chawama	8.8	8.0	8.3
Commonwealth	9.0	7.4	8.6
Cisne Dos	10.4	8.0	8.6
Angyalföld	11.4	8.6	10.9[a]

[a] Excludes two cases.

Table A4.19. Household expenditure on infrastructure services by poverty group in the research communities, 1992
(as a percentage of income)

Community and poverty group	*Water*	*Lighting*	*Transport*	*Energy for cooking*[a]	*Education*	*Total*
Chawama						
Nonpoor	0.6	2.2	9.7	4.0	1.0	17.5
Poor	1.2	7.3	9.3	15.6	4.6	38.0
Commonwealth						
Nonpoor	1.6	3.5	7.0	2.7	1.8	16.6
Poor	2.4	4.2	13.6	3.6	2.2	26.0
Cisne Dos						
Nonpoor	1.0	3.2	2.0	1.8	3.8	11.8
Poor	3.6	3.8	4.3	4.5	9.1	25.3
Angyalföld						
Nonpoor	0	n.a.	2.2	15.6[a]	0	17.8
Poor	0	n.a.	8.2	32.0[a]	0	40.2

n.a. Not applicable, as not itemized separately from energy.
[a] Includes energy for lighting, cooking, and heating.

Table A4.20. Sources of water supply in the research communities, 1992
(percentage of households)

Community	*Public tap*	*Water vendors*	*Other*
Chawama	83.8	14.3	1.9
Commonwealth	91.5	5.5	3.0
Cisne Dos	47.9	37.3	14.8[a]

Note: All households in the Angyalföld sample had their own tap.
[a] Combination of piped water and purchased water.

Table A4.21. Types of toilet facilities in the research communities, 1992
(percentage of households)

Community	*Connected to water main*	*Latrine*	*Other*
Chawama	2.4	92.8	4.8
Commonwealth	0.5	89.5	10.0
Cisne Dos	42.2	24.0	33.8
Angyalföld	99.4	0.6	0

Table A4.22. Energy sources for lighting in the research communities, 1992
(percentage of households)

Community	*Electricity*	*Kerosene*	*Other*
Chawama	4.8	76.2	19.0
Commonwealth	92.0	8.0	0
Cisne Dos	100.0	0	0
Angyalföld	98.8	0.6	0.6

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Table A4.23. Types of cooking fuel used in the research communities, 1992
(percentage of households)

Community	*Electricity*	*LPG*	*Kerosene*	*Charcoal*	*Other*
Chawama	2.9	0.5	1.8	94.3	0.5
Commonwealth	1.5	35.0	54.5	3.0	6.0
Cisne Dos	1.5	92.4	1.1	3.8	1.2
Angyalföld	97.8[a]	2.2	0	0	0

Note: LPG is liquified petroleum gas.
a. Includes both electricity and gas mains.

Table A4.24. Households' education expenditures per enrolled child in Cisne Dos, by poverty group, 1992 school year
(percent)

Expenditure item	*Nonpoor*	*Poor*	*Very poor*	*All*
Annual fee	5.4	9.0	6.6	7.2
Term fee	22.9	14.0	10.6	14.4
Other fees	15.1	13.8	15.7	14.9
Uniform	15.8	16.8	21.0	18.2
Books	19.4	28.4	26.3	25.6
Transportation	22.4	18.0	19.8	19.7
	100.0	100.0	100.0	100.0
Total (sucres)	223,080	140,607	101,873	129,892

Table A4.25. Occupancy status in the research communities, 1992
(percentage of households)

Community	*Owner-occupied*[a]	*Tenant*
Chawama	37.6	62.4
Commonwealth	79.0	21.0
Cisne Dos	94.7	5.3
Angyalföld	30.7	69.3[b]

a. Not necessarily with legal title.
b. Renting from local government.

Table A4.26. Regulations affecting land and housing markets in the case study countries

Country	*Minimum lot size (square meters)*	*Salable land ratio*[a] *(percent)*	*Extent of rent control*[b] *(percent)*	*Permit delay*[c] *(months)*	*Foreclosure delay*[d] *(months)*
Philippines	32	80	69	36	24
Ecuador	90	60	12	6	12
Hungary	150	150	95	7	n.a.

n.a. Not applicable.
Note: Zambia was not included in the World Bank housing indicators study that is the source for this table.
a. The ratio of net salable residential land to total undeveloped land area in a new, medium-size residential subdivision.
b. The percentage of rental stock, including informal rentals, covered by a rent control system.
c. The time needed to get approvals and permits for a new, medium-size residential subdivision at the urban fringe where residential development is permitted.
d. The time from initiation to conclusion of foreclosure proceedings (including eviction on a seriously delinquent mortgage).
Source: World Bank 1993a.

Table A4.27. Reasons for household restructuring in the research communities, 1982–92
(percentage of households)

Community	*Internal (life-cycle) factors*		*External factors*	
Chawama	63.0	(29)	37.0	(17)
Commonwealth	38.5	(25)	61.5	(40)
Cisne Dos	56.0	(47)	44.0	(37)
Angyalföld	78.8	(26)	21.2	(7)

Note: Numbers in parentheses are households reporting restructuring.
Source: 1992 subsample survey.

Table A4.28. Household headship by sex in the research communities, 1992
(percentage of households)

Community	*Male*	*Female*
Chawama	89.5	10.5
Commonwealth	85.0	15.0
Cisne Dos	79.8	20.2
Angyalföld	62.1	37.9

Table A4.29. Hours per week spent on different tasks by sex in the research communities, 1992

	Male				*Female*			
Community	*P*	*R*	*CM*	*Total*	*P*	*R*	*CM*	*Total*
Chawama	50	2	0.6	53	50	20	0.8	71
Commonwealth	53	3	0.1	56	50	18	0.2	68
Cisne Dos	47	5	0.1	52	41	16	0.8	58
Angyalföld	45	4	0	49	45	14	0	59

P = productive, income-earning activities.
R = reproductive tasks excluding childcare.
CM = community managing activities.

Table A4.30. Intrahousehold decisionmaking on food expenditure in the research communities, 1992
(percentage of households)

	Chawama	*Commonwealth*	*Cisne Dos*	*Angyalföld*
Household member who gives money for food				
Head (male or female)	88.0	48.4	40.5	66.7
Spouse	4.0	25.8	11.9	26.2
Children	4.0	9.7	38.1	0
Other	4.0	16.1	9.5	7.1
Frequency with which husband gives money for food				
Daily	25.0	53.3	39.7	—
Weekly	20.8	16.7	36.2	—
Every 2 weeks	0	10.0	15.5	—
Monthly	50.0	20.0	6.9	—
Occasionally	4.2	0	1.7	—
Share of male household head's earnings contributed to household budget (percent)	80.0	79.3	74.4	—

— Not available.
Source: 1992 subsample survey.

Notes

1. Hart (1973) on the informal sector in urban Ghana, Geertz (1963) on the Indonesian "bazaar" economy, Lewis (1961, 1966) on the urban Mexican "culture of poverty," and Turner (1970) on self-help housing in urban Peru are just a few examples of policy-relevant sociological or anthropological studies.

2. Classic Latin American slum studies of the 1960s and 1970s include those of Rio (Perlman 1976), Guatemala City (Roberts 1973), Mexico City (Lomnitz 1977), and Ciudad Guayana (Peattie 1968). Those from southern Africa during the same period include East London (Mayer 1963), Ndola (Epstein 1958), and Stanleyville (Pons 1969). For recent comprehensive reviews of the changing agendas of urban research, see Stren (1994a, 1994b) and Moser (1994).

3. Because the case studies sampled only a small geographical area with a relatively small sample of about 200 households, they were not intended to be statistically representative of the national urban population. Nevertheless, 1992 comparisons in all four case studies revealed that the incidence of poverty in the research communities was similar to that in low-income urban areas, though higher than in the national urban population as a whole. In the Ecuador poverty assessment an additional comparison of the research community (Cisne Dos), urban Costa, and the national urban population based on eight indicators showed that Cisne Dos was closest to the country's poorest income quintiles (World Bank 1995a).

4. As Husain comments, "There is a difficulty of attributing observed performance to particular policies where much is occurring simultaneously, where exogenous factors are strong, time lags are important, and where data sources are unreliable" (1993, 13).

5. In the context of a panel data set study in Peru, vulnerability was recently defined as "a dynamic concept, generally involving a sequence of events after a macroeconomic shock" (Glewwe and Hall 1995, 3).

6. I am grateful to Andrew Norton and Paul Francis for their contribution to this definition.

7. For instance, writing in 1958, social anthropologist Meyer Fortes stated: "For a social system to maintain itself, its two vital resources . . . are its human capital and its social capital" (1958, 1). Economist J. S. Coleman, writing in 1990, argued that relationships, norms, and trust all help facilitate the coordination and cooperation that enhance productivity. For a recent discussion of social capital in the context of environmentally sustainable development, see Serageldin and Steer (1994).

8. Details of the countries' economic, demographic, and employment changes during the research period are provided in the individual case studies; see Moser and others (forthcoming a, b, c, and d).

9. These poverty rates are based on country-specific poverty lines and are therefore not comparable with one another. See appendix 3 for details on the methodologies used in constructing the poverty lines.

10. To calculate real per capita income between 1978 and 1992, the consumer price index (CPI) was used as the deflator (1987=100). In Zambia the CPI increased from 14.9 to 4,415.15; in Ecuador it increased from 14.9 to 949 (World Bank 1994d).

11. A recent World Bank review (1995c) highlights changes in income in the study countries (excluding Hungary). Between 1985 and 1988 poverty declined in the Philippines, while in Ecuador and Zambia (for which only one data point is available—1987 data for Ecuador and 1991 data for Zambia) "the incidence of poverty has probably worsened because of a decline in real per capita mean private consumption" (World Bank 1995c, 49).

12. In the Latin American context Beneria and Roldan (1987) make a useful distinction between "income-generating strategies" designed to increase income and "expenditure-minimizing" strategies to reduce household expenditure.

13. A "varied" diet was defined as milk, meat, chicken, fish, eggs, fruit, *nshima*, vegetables, beans, and groundnuts. A "poor" diet was defined as vegetables and *nshima*.

14. Following the definitions used by the International Labour Organisation, *formal sector* refers to enterprises with six or more workers, and *informal sector* refers to the self-employed and enterprises with five or fewer workers.

15. By 1991, the national minimum union wage in Zambia had fallen to 29 percent of its 1974 level, with the greatest declines in real earnings in mining, manufacturing, and services, according to internal World Bank reports.

16. Overseas migration is not only a strategy for households. In the Philippines it is also an integral part of the government's economic development program: overseas contract workers are required by law to remit 30 to 70 percent of their wages through state and commercial banks.

17. The phenomenon of "hidden" female heads, also known as "submerged" heads, "embedded" heads, and "subfamilies," has been identified elsewhere in Latin America (Buvinic and others 1992).

18. The social stigma attached to single parenthood in the Philippines is predominantly associated with Roman Catholicism and prevailing social mores encouraging social cohesion of the family unit. The growth of the sex trade has increased the stigma, as prostitution and single parenthood are often perceived as analogous. Women often avoid being a single mother for fear of being labeled a sex worker (Chant and McIlwaine 1995).

19. See, for example, Brown and Haddad (1995), Rosenzweig and Schultz (1982), and Folbre (1986).

20. Based on the results of a random sample survey questionnaire concerning number of hours worked per week.

21. Where detailed time budgets cannot be undertaken, this methodology estimates the average time devoted to a number of different reproductive tasks excluding childcare. Childcare cannot be included because of the complexity of measuring labor intensity. Household activities identified as reproductive tasks include cooking breakfast, cleaning the house, washing clothes, buying food, cooking the midday meal, cooking the evening meal, looking after animals, taking children to school, fetching water, fetching fuel, performing house maintenance, disposing of rubbish, and looking after domestic animals.

22. Ten community activities were identified: Catholic church, evangelical church, women's group, community group, parent-teacher association (PTA), trade union, political party, youth group, sports club, and NGOs.

23. Women's perception is critical in determining such intrahousehold inequalities, particularly in relation to control of different aspects of income flows or spending patterns (Sen 1990).

24. In the survey depression was self-defined rather than medically identified. This information was obtained only in Cisne Dos, where long-term anthropological fieldwork in the community made it possible to raise an issue of particular sensitivity.

25. In 1988 the first suicide in Cisne Dos known to the community leader occurred when a young male cocaine addict hanged himself after his wife confronted him about spending his earnings on his addiction, leaving his three young children without food.

26. Data for Angyalföld show that district doctors and health visitors universally report recent increases in alcohol consumption, identifying this as the major factor behind the increased incidence of cardiovascular diseases, hepatic complaints, and tuberculosis in the district.

27. In Cisne Dos longitudinal anthropological fieldwork also found that differences in access to NGO delivery services within a community can depend on the ability and commitment of local leaders to mobilize residents. Interesting gender differences also emerge. Female leaders appear to be more active in mobilizing for basic infrastructure than male leaders, who tend to give greater priority to political agendas.

28. For instance, labor force participation trends among women applied to all adult women in Chawama, while in Cisne Dos and Commonwealth this finding related to married women only. Data on household members—such as age, household status, place of origin, education level, and years of schooling and primary employment—are available only for the household head and spouse in Commonwealth.

29. For a description of the use of this methodology, see Sollis and Moser (1991).

30. A detailed description of the research process is provided in volume 1 of the "Urban Poverty Research Source Book" (Moser, Gatehouse, and Garcia 1996).

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